

# Idaho Economic Forecast

**DIRK KEMPTHORNE, Governor**

**Division of Financial Management**

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- **Forecast 2003-2006**
- **Changing the Way We Classify Industries**
- **Alternative Forecasts**

## Idaho Computer & Electronic Products Employment



**IDAHO  
ECONOMIC  
FORECAST  
2003 - 2006**

State of Idaho  
**DIRK KEMPTHORNE**  
Governor

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## PREFACE

Idaho's economy continues to grow and evolve as it enters the 21<sup>st</sup> Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded in every year and consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. This continuing dependence on natural resources will bring a host of challenges to Idaho. These challenges include competition among agriculture, fisheries, and expanding population, for water and energy; the environmental impacts of the economically important mining, timber, agricultural, and tourism industries; and the many other pressures of an expanding population on the state's natural and fiscal resources.

Other factors that are external to the state's economy will present challenges this decade to public and private decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Engineering and Environmental Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

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## INTRODUCTION

The national forecast presented in this publication is the June 2003 Global Insight baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the March 2003 Global Insight baseline national forecast.

The recent history and short-term outlook for Idaho's high-tech sector employment is featured on the cover of this *Forecast*. After enjoying stellar success during the 1990s, this sector has suffered setbacks this decade. The chart shows this sector should face challenges this year and next, but it will add jobs beginning in 2005.

## FEATURE

The switch from the Standard Industrial Classification to the North American Industry Classification System is finally completed. Hardly a simple project, this change represents several years of arduous work on the part of the Idaho Department of Labor. Given its staff did all of the heavy lifting for this transition, they are clearly the most qualified to describe the changes and its impacts. The Idaho Department of Labor published a series of reports in order to keep its clients apprised during the transition. The feature article in this *Forecast* is a compilation of these reports.

## THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. Global Insight examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1991 to 2006 and for every quarter from 2000 through 2005. The solution of the Idaho Economic Model (IEM) for this forecast begins with the first quarter of 2003.

Descriptions of the Global Insight U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

## CHANGES

The biggest change from the previous forecast to this one is also one the most significant changes in the history of the *Idaho Economic Forecast*. **Beginning with this forecast, the Idaho nonfarm employment is categorized using the new North American Industry Classification System (NAICS).** Employment had previously been categorized according to the Standard Industrial Classification (SIC) that has been around since the 1930s. For a more detailed discussion of the differences between the old and new classifications, readers are directed to the feature article in this *Forecast*.

While total nonfarm employment is the same under both classification systems, there are significant differences in the detail. This is due to differences in the way employment is classified. For example, under the old system, publishing employment was included with manufacturing, in the new system; it is included in the information category. The treatment of auxiliary services is also different. In the past, management

and administrative parts of businesses were counted with a company's main industry. For instance, employment in the accounting department of a wood products company was included in manufacturing, although the staff was clearly not involved in manufacturing. Under the new system they are counted in nonmanufacturing.

Although the benefits to adopting the new system clearly outweigh the costs, the transition will not be painless. A major "cost" of the new system is the lack of historical data. Previously, over 30 years of detailed Idaho nonfarm employment data was available. Under NAICS, the historical data goes back to 1991. Thus, the NAICS data is at a disadvantage relative to the SIC information when trying to determine long-term employment trends.

The change in data classification has had an enormous impact on the Idaho Economic Model, requiring one of the most significant rewrites. The wealth of new employment data presented a blank slate. All aspects of the model's structure were scrutinized. The specifications for all equations were examined and all stochastic equations were reestimated. (The equations of the IEM are included in the appendix of this *Forecast*.) The model's coverage was expanded to provide more detailed forecasts of the non-manufacturing industries. Notably, the state's huge service sector has been broken out into its major components. In addition, the trade sector contains both its retail and wholesale components. All of the employment tables have been modified to include the NAICS data. The coverage of the remaining tables has not been changed.

The tables in this forecast also include the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) estimates of Idaho quarterly personal income through the last quarter of 2002. In addition to the 2002 fourth quarter income estimates, the historical Idaho quarterly income estimates since the first quarter of 1999 were revised. The BEA will release its next Idaho personal income estimates in late July 2003.

The *Idaho Economic Forecast* is available on the Internet at [http://www.state.id.us/dfm/econ\\_pub.html](http://www.state.id.us/dfm/econ_pub.html). Readers with any questions should contact Derek Santos at (208) 334-3900 or at [dsantos@dfm.state.id.us](mailto:dsantos@dfm.state.id.us).

## SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at [http://www.state.id.us/dfm/econ\\_pub.html](http://www.state.id.us/dfm/econ_pub.html).

Printed copies of the *Idaho Economic Forecast* may be requested by contacting:

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## EXECUTIVE SUMMARY

It appears Idaho's economy fared better in 2002 than had been previously reported. In the April 2003 *Idaho Economic Forecast*, DFM reported that Idaho nonfarm employment had declined 0.7% last year. This analysis was based on two quarters of historical data, one quarter of preliminary data, and a quarter of forecasted data. Since then, the Idaho Department of Labor has provided updated data that show employment growth was actually stronger. Specifically, it now appears there was no job decline from 2001 to 2002. A major reason for this can be traced to the preliminary data. The previous forecast has a 3.2% employment dip in the third quarter of last year. The revised data has total nonfarm employment not declining, but growing at a 1.0% annual rate in that quarter. This raises the starting point of the employment forecast by over 6,000 jobs. Last spring the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) published its estimates of Idaho personal income. As part of this release, the estimates back to 1999's first quarter were lowered. As a result, Idaho personal income is reported at \$28.90 billion in 1999, \$31.18 billion in 2000, and \$32.36 billion in 2001. Idaho personal income was reported as \$28.93 billion in 1999, \$31.31 billion in 2000, and \$32.53 billion in 2001 in the previous *Forecast*. The previous estimate for 2002 of \$33.65 billion was based on three quarters of historical data and one quarter of projected data. The new estimate of \$33.61 billion is solely based on historical data. While the estimate for 2002 was reduced, it is important to point out income growth from 2001 to 2002 has actually increased. Specifically, Idaho personal income grew 3.4% from 2001 to 2002 under the old estimates, but increased 3.8% based on the revised estimates. While the revisions have changed the histories of the employment and income series, the projections for these two series have changed little from their previous forecasts. In April 2002, the forecast called for Idaho nonfarm employment to grow gradually over the forecast period after suffering a setback in 2002. The new forecast is similar. Nonfarm employment advances 0.4% in 2003, 1.2% in 2003, and 1.6% in both 2005 and 2006 in this forecast. In the previous forecast employment 0.1% in 2003, 1.5% in 2004, 1.7% in 2005, and 2.0% in 2006. In the April 2003 *Idaho Economic Forecast* Idaho nominal personal income was anticipated to rise 4.3% in 2003, 5.3% in 2004, 5.1% in 2005, and 6.0% in 2006. It is now believed Idaho personal income will increase 3.5% this year, 5.2% next year, 5.1% in 2005, and 5.5% in 2006.

The current national economic forecast shows the economy picking up steam during the second half of this year. Under the forecast assumptions, next year promises to be the strongest of the forecast period, followed by slower growth. Specifically, after growing just 2.4% in 2003, real GDP should increase 4.3% in 2004, and 3.3% in 2005 and 2006. A major factor causing the optimism during the second half of this year is the economic stimulus already in the pipeline. Both the Federal Reserve and the federal government have taken actions to keep the economy moving. The nation's central bank lowered the federal funds rate to 1.0% in June, solidifying its commitment to bolster the economy. One of the reasons the Federal Reserve can afford to be so aggressive is the benign inflation outlook. President Bush signed the *Jobs and Growth Tax Relief Reconciliation Act* into law this May. The provisions likely to have the biggest impact are nearly identical to those of the initial proposal. These are the acceleration of scheduled rate cuts, the increased child tax credit, and some relief from the alternative minimum tax and marriage penalty. While the dividend and capital gains tax relief will have a limited impact on spending, the investment provisions should have some effect. The federal government also showed generosity to the states by providing \$20 billion in relief to help bridge budget gaps.

# IDAHO ECONOMIC FORECAST

## EXECUTIVE SUMMARY

JULY 2003

	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>GDP (BILLIONS)</b>									
Current \$	8,782	9,274	9,825	10,082	10,446	10,868	11,552	12,207	12,898
% Ch	5.6%	5.6%	5.9%	2.6%	3.6%	4.0%	6.3%	5.7%	5.7%
1996 Chain-Weighted	8,509	8,859	9,191	9,215	9,440	9,662	10,075	10,408	10,747
% Ch	4.3%	4.1%	3.8%	0.3%	2.4%	2.4%	4.3%	3.3%	3.3%
<b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	27,066	28,902	31,177	32,363	33,605	34,776	36,584	38,485	40,619
% Ch	7.3%	6.8%	7.9%	3.8%	3.8%	3.5%	5.2%	5.2%	5.5%
Idaho Nonfarm (Millions)	26,149	27,872	30,382	31,400	32,594	33,685	35,298	37,229	39,319
% Ch	6.5%	6.6%	9.0%	3.3%	3.8%	3.3%	4.8%	5.5%	5.6%
U.S. (Billions)	7,426	7,786	8,407	8,685	8,929	9,255	9,727	10,247	10,825
% Ch	7.0%	4.9%	8.0%	3.3%	2.8%	3.6%	5.1%	5.3%	5.6%
<b>PERSONAL INCOME - 1996 \$</b>									
Idaho (Millions)	26,268	27,594	29,030	29,538	30,257	30,737	31,784	32,710	33,728
% Ch	6.2%	5.0%	5.2%	1.7%	2.4%	1.6%	3.4%	2.9%	3.1%
Idaho Nonfarm (Millions)	25,379	26,611	28,291	28,659	29,346	29,772	30,667	31,642	32,649
% Ch	5.4%	4.9%	6.3%	1.3%	2.4%	1.4%	3.0%	3.2%	3.2%
U.S. (Billions)	7,208	7,435	7,828	7,927	8,039	8,180	8,451	8,709	8,989
% Ch	5.9%	3.2%	5.3%	1.3%	1.4%	1.7%	3.3%	3.1%	3.2%
<b>HOUSING STARTS</b>									
Idaho	10,113	10,345	11,532	12,253	13,222	14,342	12,288	11,734	11,446
% Ch	14.1%	2.3%	11.5%	6.2%	7.9%	8.5%	-14.3%	-4.5%	-2.5%
U.S. (Millions)	1.621	1.647	1.573	1.601	1.711	1.662	1.563	1.541	1.590
% Ch	9.9%	1.6%	-4.5%	1.8%	6.9%	-2.9%	-5.9%	-1.4%	3.2%
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	520,469	538,089	558,566	568,014	568,017	570,212	577,053	587,046	596,681
% Ch	2.6%	3.4%	3.8%	1.7%	0.0%	0.4%	1.2%	1.7%	1.6%
U.S. (Thousands)	125,851	128,904	131,719	131,925	130,776	130,615	132,836	135,431	137,750
% Ch	2.6%	2.4%	2.2%	0.2%	-0.9%	-0.1%	1.7%	2.0%	1.7%
<b>SELECTED INTEREST RATES</b>									
Federal Funds	5.4%	5.0%	6.2%	3.9%	1.7%	1.3%	1.7%	2.7%	3.0%
Bank Prime	8.4%	8.0%	9.2%	6.9%	4.7%	4.3%	4.7%	5.7%	6.0%
Existing Home Mortgage	7.1%	7.3%	8.0%	7.0%	6.5%	5.7%	6.1%	7.0%	7.2%
<b>INFLATION</b>									
GDP Price Deflator	1.2%	1.4%	2.1%	2.4%	1.1%	1.6%	1.9%	2.3%	2.3%
Personal Cons Deflator	1.1%	1.6%	2.5%	2.0%	1.4%	1.9%	1.7%	2.2%	2.4%
Consumer Price Index	1.5%	2.2%	3.4%	2.8%	1.6%	2.2%	1.5%	2.2%	2.4%

# IDAHO ECONOMIC FORECAST

## EXECUTIVE SUMMARY

JULY 2003

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GDP (BILLIONS)</b>												
Current \$	10,704	10,771	10,913	11,083	11,286	11,457	11,648	11,816	11,973	12,120	12,277	12,457
% Ch	4.4%	2.5%	5.4%	6.4%	7.5%	6.2%	6.9%	5.9%	5.4%	5.0%	5.3%	6.0%
1996 Chain-Weighted	9,563	9,599	9,690	9,797	9,922	10,022	10,133	10,224	10,296	10,364	10,438	10,534
% Ch	1.9%	1.5%	3.8%	4.5%	5.2%	4.1%	4.5%	3.6%	2.9%	2.7%	2.9%	3.7%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	34,453	34,681	34,832	35,138	35,685	36,277	36,958	37,414	37,737	38,264	38,763	39,178
% Ch	4.0%	2.7%	1.8%	3.6%	6.4%	6.8%	7.7%	5.0%	3.5%	5.7%	5.3%	4.3%
Idaho Nonfarm (Millions)	33,230	33,493	33,829	34,186	34,617	35,031	35,513	36,030	36,495	36,986	37,463	37,971
% Ch	2.0%	3.2%	4.1%	4.3%	5.1%	4.9%	5.6%	6.0%	5.3%	5.5%	5.3%	5.5%
U.S. (Billions)	9,128	9,199	9,291	9,402	9,536	9,657	9,792	9,923	10,049	10,179	10,307	10,451
% Ch	3.9%	3.2%	4.1%	4.9%	5.8%	5.2%	5.7%	5.4%	5.2%	5.3%	5.1%	5.7%
<b>PERSONAL INCOME - 1996 \$</b>												
Idaho (Millions)	30,594	30,708	30,752	30,893	31,242	31,626	32,033	32,236	32,344	32,618	32,855	33,022
% Ch	1.3%	1.5%	0.6%	1.8%	4.6%	5.0%	5.2%	2.6%	1.4%	3.4%	2.9%	2.0%
Idaho Nonfarm (Millions)	29,508	29,657	29,866	30,056	30,307	30,540	30,780	31,042	31,279	31,529	31,753	32,005
% Ch	-0.7%	2.0%	2.8%	2.6%	3.4%	3.1%	3.2%	3.5%	3.1%	3.2%	2.9%	3.2%
U.S. (Billions)	8,106	8,145	8,203	8,266	8,349	8,419	8,487	8,549	8,613	8,677	8,736	8,809
% Ch	1.2%	2.0%	2.8%	3.1%	4.1%	3.4%	3.3%	2.9%	3.0%	3.0%	2.7%	3.4%
<b>HOUSING STARTS</b>												
Idaho	15,758	14,767	13,857	12,985	12,495	12,371	12,217	12,069	11,896	11,770	11,665	11,606
% Ch	-14.1%	-22.9%	-22.5%	-22.9%	-14.3%	-3.9%	-4.9%	-4.8%	-5.6%	-4.2%	-3.5%	-2.0%
U.S. (Millions)	1.739	1.668	1.647	1.594	1.571	1.567	1.564	1.552	1.543	1.536	1.535	1.550
% Ch	-0.9%	-15.2%	-5.0%	-12.2%	-5.8%	-0.8%	-0.9%	-3.0%	-2.2%	-1.9%	-0.2%	4.0%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	569,165	569,492	570,520	571,672	573,426	575,738	578,226	580,822	583,378	586,021	588,379	590,406
% Ch	-2.2%	0.2%	0.7%	0.8%	1.2%	1.6%	1.7%	1.8%	1.8%	1.8%	1.6%	1.4%
U.S. (Thousands)	130,596	130,363	130,509	130,991	131,675	132,461	133,279	133,930	134,542	135,120	135,707	136,356
% Ch	-0.6%	-0.7%	0.4%	1.5%	2.1%	2.4%	2.5%	2.0%	1.8%	1.7%	1.7%	1.9%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	1.3%	1.3%	1.3%	1.3%	1.5%	1.5%	1.8%	2.0%	2.2%	2.6%	2.8%	3.0%
Bank Prime	4.3%	4.3%	4.3%	4.3%	4.5%	4.5%	4.8%	5.0%	5.2%	5.6%	5.8%	6.0%
Existing Home Mortgage	5.9%	5.6%	5.7%	5.8%	5.7%	5.9%	6.2%	6.5%	6.7%	7.0%	7.1%	7.2%
<b>INFLATION</b>												
GDP Price Deflator	2.5%	1.0%	1.5%	1.8%	2.2%	2.0%	2.3%	2.2%	2.5%	2.3%	2.3%	2.2%
Personal Cons Deflator	2.7%	1.1%	1.2%	1.7%	1.7%	1.7%	2.4%	2.4%	2.1%	2.2%	2.3%	2.3%
Consumer Price Index	3.9%	1.0%	1.1%	1.6%	1.4%	1.4%	2.2%	2.4%	2.0%	2.2%	2.4%	2.3%

## NATIONAL FORECAST DESCRIPTION

### **The Forecast Period is the First Quarter of 2003 through the Fourth Quarter of 2006**

This is a time of much worry for practitioners of the dismal science. The reputations of many economists will either be made or broken over the next six months. This is because many economists are betting the U.S. economy will shake off its current funk and start to show signs of faster growth. The economists of Global Insight are in this camp. Their current forecast shows the U.S. economy picking up steam during the second half of this year. Under their assumptions, next year promises to be the strongest of the forecast period, followed by slower growth in 2005 and 2006.

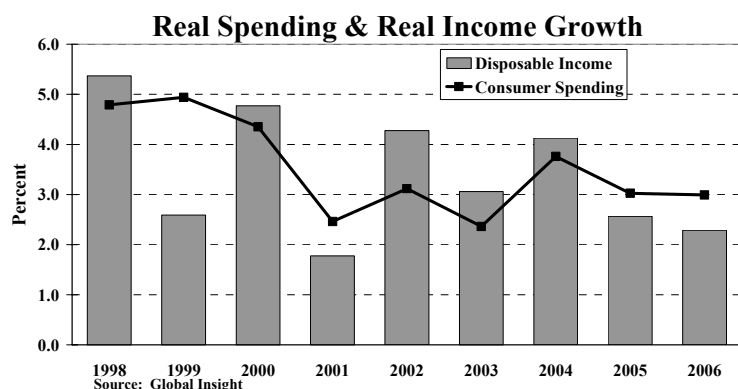
The National Bureau of Economic Research officially declared the 2001 recession ended in November 2001, eight months after it started. This would qualify it as one of the mildest recessions on record. Unfortunately, it seems no one told the employment sector the recession ended so long ago. From the recession's end to June 2003, the U.S. unemployment rate has increased from 5.6% to 6.4%--a nearly 100-basis point change. Another disturbing fact is uncertainty about when unemployment will peak. It was thought it would happen in the first half of this year at around 6.0%. But the current level of 6.4% has raised concerns that it may go higher. The near-term performance of the labor market will be a clear scorecard of how well economists have done their jobs. In the current forecast, U.S. nonfarm employment posts its first increase in the third quarter of 2003 after decreasing in the previous three quarters. On an annual basis it continues to increase through 2006. As a result, the unemployment rate drifts down slowly. However, it does not return to full-employment levels.

Another sector that seems to have missed the news about the recession's end is business investment. This has been an important omission, since this sector has been an important growth engine during the 1990s and earlier this decade. Strong business investment in the 1990s helped limit the severity of the 1990-91 recession. After that, heavy investment in equipment played a major role in making the last recovery the longest on record. But currently, it is suffering its most drawn out downturn among the 12 postwar recessions. However, it is anticipated to begin showing signs of life again during the second half of this year, and be in full recovery in 2004.

A major factor causing the optimism during the second half of this year is the economic stimulus already in the pipeline. Both the Federal Reserve and the federal government have taken actions to keep the economy moving. The nation's central bank lowered the federal funds rate to 1.0% in June, solidifying its commitment to bolster the economy. One of the reasons the Federal Reserve can afford to be so aggressive is the benign inflation outlook. President Bush signed the *Jobs and Growth Tax Relief Reconciliation Act* into law this May. The provisions likely to have the biggest impact are nearly identical to those of the initial proposal. These are the acceleration of scheduled rate cuts, the increased child tax credit, and some relief from the alternative minimum tax and marriage penalty. While the dividend and capital gains tax relief will have a limited impact on spending, the investment provisions should have some effect. The federal government also showed generosity to the states by providing \$20 billion in relief to help bridge budget gaps.

After a couple of years of lackluster growth, the economy should strengthen over the forecast period. After growing just 2.4% in 2003, real GDP should increase 4.3% in 2004, and 3.3% in 2005 and 2006.

## SELECTED NATIONAL ECONOMIC INDICATORS

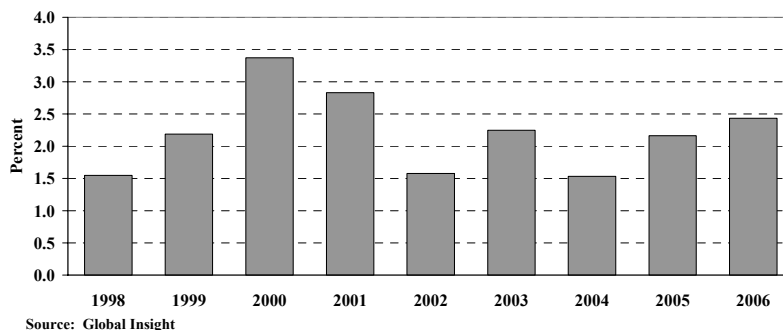


**Consumer Spending:** Americans continue to shop, but they are not spending as freely as they once did. After growing at a healthy pace during the first three quarters of 2002, real consumer spending slowed considerably in the last year's fourth quarter and has languished in the first half of this year. Part of this slowing reflects the recent three-quarter decline in inflation-adjusted spending for durable goods. Falling automobile

sales are largely to blame for this swing. In the third quarter of 2002 real sales of new automobiles advanced by an amazing 32.9% annual rate, but plunged nearly 40.0% in the following quarter. One reason for this reversal is durable goods are purchased infrequently. Once the demand for a durable good, such as an automobile, is met it will be awhile before it is purchased again. Thus, even the most tempting financing programs cannot continually lure shoppers into automobile showrooms. As a result, real spending on durable goods should have less impact on overall spending than it did in the recent past. Specifically, real durable goods spending advanced faster than overall spending in 2002, 7.3% versus 3.1%. But total consumer spending and durable goods spending should both rise 2.4% this year. Next year, durable spending should grow slightly faster than total spending thanks to the bump in disposable income resulting from the 2003 Tax Act. The exact impact of the Tax Act will be determined by how consumers treat their windfalls. The hope is consumers will spend this found money instead of saving it or paying down debt. A case can be made that consumers will spend because consumer confidence is relatively high and there appears to be no limit to consumers' spending appetites. However, the impact will be smaller if consumers view the income increase as temporary and choose to save it or use it to pare down debt. This forecast assumes the increased disposable income will boost consumer spending \$23 billion in the third quarter of this year and \$40 billion in the fourth quarter. In 2004, the tax cuts will translate into a \$130 billion boost to consumer spending. The peak impact on spending should come in 2005, when the income tax cuts stimulate an additional \$160 billion in consumer purchases. Overall, real consumer spending is expected to rise 2.4% this year, 3.8% next year, and 3.0% in both 2005 and 2006.

**Inflation:** Prices changes are becoming worrisome again. However, they are not the typical concerns. This generation has lived through an era that economists have named the "Great Inflation." This period from the mid-1960s to the early 1980s was marked by steadily rising prices interrupted by a few episodes of runaway inflation. Policy makers are now wrestling with the prospect of deflation. The last time

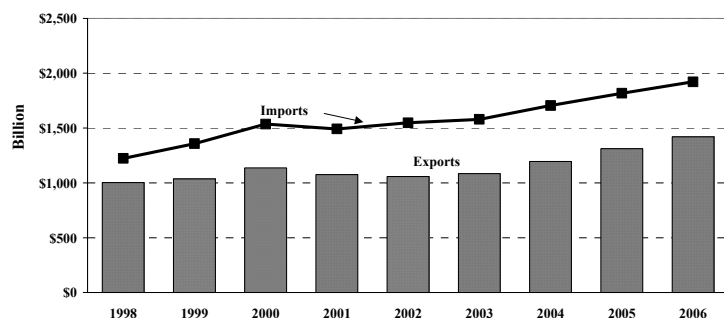
### Consumer Price Inflation



the U.S. economy experienced an extended period of falling prices was the Great Depression. But one does not have to go that far back to find an example of deflation and its devastating impacts. Since the early 1990s the Japanese economy has been crippled by falling prices. Unfortunately, Germany may also be on the cusp of a deflationary cycle. While it is too early to declare whether this is the start of a trend, both the producer price and consumer price indexes dropped in April 2003. (Admittedly,

portions of these declines had to do with falling energy prices that resulted from retreating oil prices due the success of the Iraq War.) Despite April's inflation data, there are at least four strong arguments suggest the U.S. is not entering an extended period of falling prices. First, the jolt from falling oil prices has already been felt. Indeed, evidence suggest energy prices have stabilized and may show a slight bump. Also, rising natural gas and coal prices will push up energy prices, which run counter to deflation. Second, the slow rise in commodity prices recently is a result of constrained production. But with GDP growth expected in the second half of this year, demand will improve, allowing for higher costs to be passed on to customers. This will be enhanced by the weaker dollar, which also provides U.S. businesses with room to raise domestic prices. Third, growth in employee compensation is a major factor in core inflation. Compensation is expected to grow slowly over the forecast period. Specifically, total compensation (earnings and benefits) should advance 3.7% this year, 3.4% next year, 3.6% in 2005, and 3.5% in 2006. Fourth, the collapse of Japanese real estate prices was a major contributor to that country's economic woes. This is not likely to be repeated in the U.S. because housing prices are not expected to collapse. Over the forecast period consumer prices are anticipated to increase 2.2% in 2003, 1.5% in 2004, 2.2% in 2005, and 2.4% in 2006. Producer prices for final goods should rise 3.4% in 2003, 0.6% in 2004, 1.1% in 2005, and 1.4% in 2006.

**U.S. Imports and Exports**

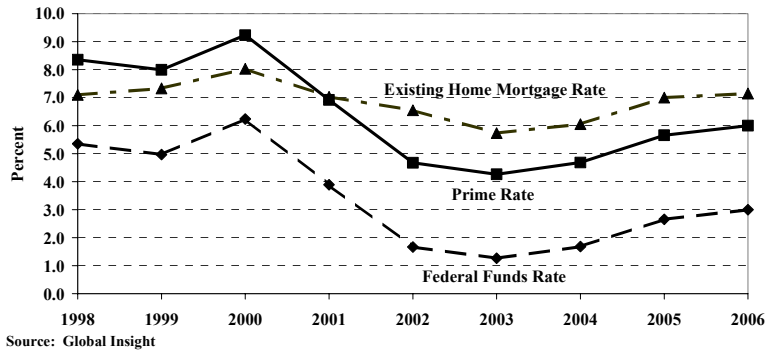


Source: Global Insight

**International:** The U.S. dollar has been pummeled since early 2002. In fact, since this January alone the dollar has tumbled 10% against the euro, 14% against the Canadian dollar, and 2% against the yen. These declines are symptomatic of foreigners ebbing confidence in the U.S. economy. There are several factors that have led to this situation. First is the chain of U.S. corporate accounting scandals. The second

factor is the failure of the U.S. economy to post a strong recovery. Third, the dollar may be the victim of the international fallout from the unpopular war with Iraq. Fourth, international wariness regarding the ballooning U.S. current account deficit is also holding the dollar down. Interestingly, the U.S. has done little to bolster the dollar. The nation's official policy calls for a strong dollar, but the Bush administration has done little to boost the dollar and Federal Reserve's rate cuts have put downward pressure on the dollar. This is not to say that a weak dollar is all bad. As conveyed in a statement that Treasury Secretary Snow no doubt regrets making, a weaker dollar helps exports. This is because the cheaper dollar makes American goods and services relatively less expensive in the global market. This could provide a much-needed shot in the arm to American businesses that have been struggling in international markets. A couple of risks usually associated with a falling dollar do not appear to be pressing. A falling dollar can contribute to inflation because it raises the price of imported goods and provides opportunities for domestic companies to raise their prices. However, an assessment of the current and near future inflation suggests this is not threat. The other concern is that foreigners will resist holding assets that are valued in dollars because a further erosion of the greenback will undermine the value of these assets. This could have a dampening effect on the nation's stock and financial markets. As in the case with inflation, this does not seem to be a problem in the short term. This forecast assumes the dollar's steepest declines are over. The dollar is expected to fall further, but much more gradually than it did from 2002 to 2003. As expected, the major beneficiary from this decline should be exports. After seeing its share contract below 8.5% of GDP, goods exports' share is anticipated to expand above 9.0% by 2006. Real net exports should be -\$495.4 billion in 2003, -\$510.0 billion in 2004, -\$505.5 billion in 2005, and -\$500.6 billion in 2006.

**Selected Interest Rates**

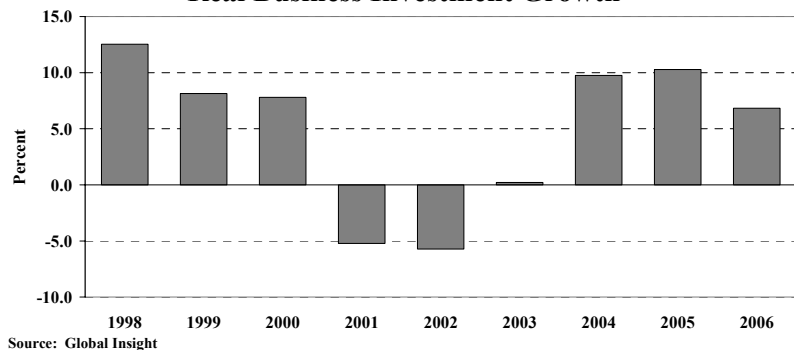


**Financial:** The nation's central bank recently lowered its bellwether federal funds rate by 25 basis points to 1.0%. This move is just the latest in the Federal Reserve's long battle to assist economic growth. While the economy has been moving forward, its pace has been disappointing. Since the beginning of 2001, the Federal Reserve has lowered the federal funds rate by 525 basis points. It has been able to take this aggressive action

because inflation has been benign. In fact, in recent months concerns have shifted toward deflation. While a drop in prices may seem initially attractive, they can play havoc with the economy. For example, it can cripple consumer spending and investment. Consumer spending is affected because if prices are falling it is to consumers' advantage to postpone making purchases, especially for big-ticket items. The same holds for business investment. In addition, businesses will be reluctant to invest in machinery and buildings that will quickly lose value. The Federal Reserve clearly hopes to avoid the deflationary cycle that has crippled the Japanese economy for over a decade. One of the challenges facing the Federal Reserve is it is beginning to run out of room to maneuver because the federal funds rate cannot go below zero. Japan has already run into this problem. Its short-term interest rate is virtually zero, yet Japan's economy remains mired in recession. Consistent with the assumption the U.S. economy should rebound in the second half of this year, this forecast assumes the Federal Reserve will gradually raise interest rates beginning in the last quarter of this year. On an annual basis, the federal funds rate is expected to average 1.27% this year, 1.68% next year, 2.66% in 2005 and 3.00% in 2006.

**Business Investment:** Business investment has been hurt by a series of unfortunate events including excess capacity, accounting scandals, the oil spike, and the uncertainty surrounding the war with Iraq. Given the low interest rates, the completion of the war, oil prices settling down, and the fiscal stimulus in the pipeline, it appears conditions are ripe for a business recovery. One of the most disappointing features of this recovery is the downturn in

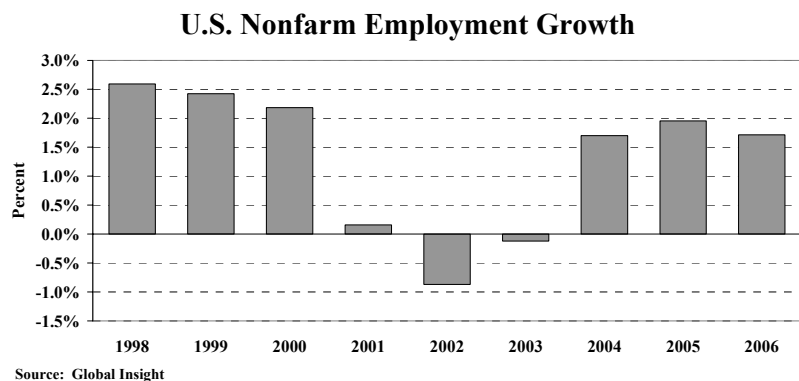
**Real Business Investment Growth**



equipment and software spending. Until recently this sector was a dependable source of growth. But currently, it is suffering its most drawn out downturn among the 12 postwar recessions. However, it should begin showing signs of life again during the second half of this year, and be in full recovery in 2004. Specifically, after suffering a 6.3% annualized decline in the first quarter of this year, real spending on equipment and software is projected to expand at a 10.0% annual rate by the end of 2003. As a result, this category should manage 2.9% growth this year, which is an improvement over the 1.7% decline in suffered in 2002. After this year, real investment in equipment and software should accelerate to an 11.2% clip in 2004. The outlook for investment in nonresidential structures is not as bright. In fact, investment in structures is expected to decline over the next two years. Total business investment is forecast to grow 0.2% in 2003, 9.8% in 2004, 10.3% in 2005, and 6.8% in 2006.

**Government:** President Bush signed the *Jobs and Growth Tax Relief Reconciliation Act* into law on May 28, 2003. This bill is a scaled back version of what the President proposed earlier this year. The provisions likely to have the biggest impact are nearly identical to those of the initial proposal. These are the acceleration of scheduled rate cuts, the increased child tax credit, and some relief from the alternative minimum tax and marriage penalty. Congress cut back on the dividend tax relief, but added some capital gains and investment benefits. While the dividend and capital gains tax relief will have a limited impact on spending, the investment provisions should have some effect. Unfortunately, not all of the reductions to personal taxes will translate into stimulus. Much of the benefit from the cut in dividends and capital gains taxes may not be realized until the 2004 the filing season, at which time a large portion may be reinvested rather than spent. Even so, the entire tax package should add nearly one-percentage point to real GDP growth over the next year. Contributing to this projection is the withholding reduction this summer and the \$400 child credit checks. It should also be noted that most provisions are backdated to the beginning of this year, so unless individuals adjust their withholding, refunds will be up in the first quarter of 2004, giving spending another boost at that time. The federal government also showed generosity to the states by providing \$20 billion in relief to help bridge budget gaps. (Idaho's share of this package was \$85 million.) With the 2003 tax bill out of the way, Congress is turning its attention to a Medicare prescription drug benefit. Although the drug benefit will theoretically be accompanied by cost-saving reforms, it is unlikely they will make a serious dent in the growth of Medicare. Thus, between the tax cut and expanded Medicare, Congress is contemplating adding more than three quarters of a trillion dollars over the next decade.

**Employment:** Midway through 2003, the nation's employment picture has yet to show signs of improvement. In June of this year, the U.S. unemployment rate jumped to its highest level in nine years. Most economists believed this important indicator of the labor markets vitality would peak near 6.0%, but were surprised when it hit 6.4%. The U.S. Department of Labor reported another couple of



disturbing facts in its June 2002 *Employment Situation Summary*. First, people are staying unemployed longer. The number of persons that have been looking for work longer than 27 weeks has increased 410,000 over the year. They represented 21.4% of the total unemployed, which was up from 18.8% the previous year. Second, the economy continues shedding manufacturing jobs. In June alone 56,000 jobs were lost. The U.S. Department of Labor reports that more than 2.6 million manufacturing jobs have vanished since its most recent peak in July 2000. Not all the labor news was bad, however. Construction employment showed strength this June and health care services expanded by 33,000 jobs. Although the 6.4% unemployment rate was disappointing, it should be kept in perspective. First, it is still well below than 7.8% peak of the 1990-91 recession. Second, even though it was higher than expected, economists were expecting the peak sometime in midyear. If June's 6.4% is the peak, then economists would have timed it accurately. Given the data, it would be premature to redo the employment forecast. Indeed, a major contributor to the anticipated recovery has not changed. This is the 2003 Tax Act that was recently signed into law. The Tax Act will stimulate both consumption and business investment by raising personal disposable income and providing attractive incentives for business depreciation and expensing. The service sector should be the main beneficiary of these changes. Unfortunately, the Tax Act is not expected to stem the hemorrhage of manufacturing jobs. The combination of productivity gains and foreign competition should continue to weigh heavily on the manufacturing sector and contribute to expected manufacturing job losses of 570,000 jobs in 2003 and 300,000 in 2004. A turning point occurs in 2005, when the manufacturing sector picks up 240,000 jobs.



This improvement results from the weak dollar, stronger corporate profits, and rising domestic demand. Unfortunately, this recovery will be short lived, and this sector's job growth is forecast to flatten in 2006. After shrinking 0.1% in 2003, U.S. nonfarm employment is projected to increase 1.7% in 2004, 2.0% in 2005, and 1.7% in 2006. The civilian unemployment rate is expected improve slowly over the forecast period, averaging 6.0% this year, 5.8% next year, 5.6% in 2005, and 5.5% in 2006.

## IDAHO FORECAST DESCRIPTION

### **The Forecast Period is the First Quarter of 2003 through the Fourth Quarter of 2006**

It appears Idaho's economy fared better in 2002 than had been previously reported. In the April 2003 *Idaho Economic Forecast*, DFM reported that Idaho nonfarm employment had declined 0.7% last year. This analysis was based on two quarters of historical data, one quarter of preliminary data, and a quarter of forecasted data. Since then, the Idaho Department of Labor has provided updated data that show employment growth was actually stronger. Specifically, it now appears there was no job decline from 2001 to 2002. A major reason for this can be traced to the preliminary data. The previous forecast has a 3.2% employment dip in the third quarter of last year. The revised data has total nonfarm employment not declining, but growing at a 1.0% annual rate in that quarter. This raises the starting point of the employment forecast by over 6,000 jobs. Unfortunately, because of the change to NAICS from SIC, it is impossible to provide employment detail comparisons below the aggregate level.

A review of Idaho personal income also shows an improvement. Last spring the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) published its estimates of Idaho personal income. As part of this release, the estimates back to 1999's first quarter were lowered. As a result, Idaho personal income is reported at \$28.90 billion in 1999, \$31.18 billion in 2000, and \$32.36 billion in 2001. Idaho personal income was reported as \$28.93 billion in 1999, \$31.31 billion in 2000, and \$32.53 billion in 2001 in the previous *Forecast*. The previous estimate for 2002 of \$33.65 billion was based on three quarters of historical data and one quarter of projected data. The new estimate of \$33.61 billion is solely based on historical data. While the estimate for 2002 was reduced, it is important to point out income growth from 2001 to 2002 has actually increased. Specifically, Idaho personal income grew 3.4% from 2001 to 2002 under the old estimates, but increased 3.8% based on the revised estimates. The difference is even more noticeable after adjusting for inflation because the inflation rate is lower in this *Forecast* compared to the previous one.

While the revisions have changed the histories of the employment and income series, the projections for these two series have changed little from their previous forecasts. In April 2002, the forecast called for Idaho nonfarm employment to grow gradually over the forecast period after suffering a setback in 2002. The new forecast is similar. Nonfarm employment advances 0.4% in 2003, 1.2% in 2004, and 1.7% in 2005, and 1.6% in this forecast. In the previous forecast employment 0.1% in 2003, 1.5% in 2004, 1.7% in 2005, and 2.0% in 2006.

The current Idaho personal income forecast is also relatively unchanged compared to the previous one. In the April 2003 *Idaho Economic Forecast* Idaho nominal personal income was anticipated to rise 4.3% in 2003, 5.3% in 2004, 5.1% in 2005, and 6.0% in 2006. It is now believed Idaho personal income will increase 3.5% this year, 5.2% next year, 5.2% in 2005, and 5.5% in 2006.

The similarities between the two Idaho forecasts are not coincidences. They reflect the fact that the national forecasts have not changed significantly from May to June of this year. It is still forecast that the U.S. economy will pick up steam in the second half of this year and 2004 will be the strongest year during the forecast period.

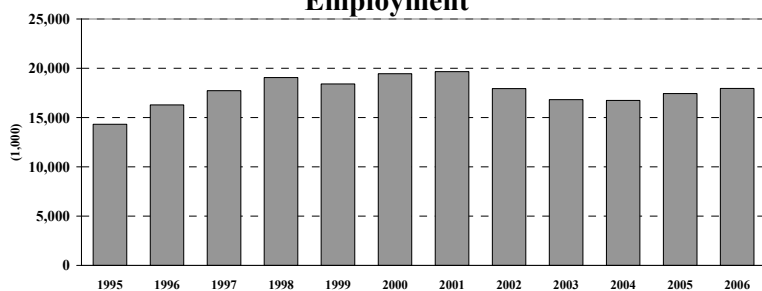
## SELECTED IDAHO ECONOMIC INDICATORS

**Computer and Electronics:** One of the benefits of the new NAICS is it presents a more focused view of the state's industries. A good example of this is high-tech. Under the old SIC, high tech consisted of both electrical and nonelectrical machinery. Nonelectrical machinery was used because it included computers and peripheral devices manufacturing. The inclusion of computers in this category is based on an archaic

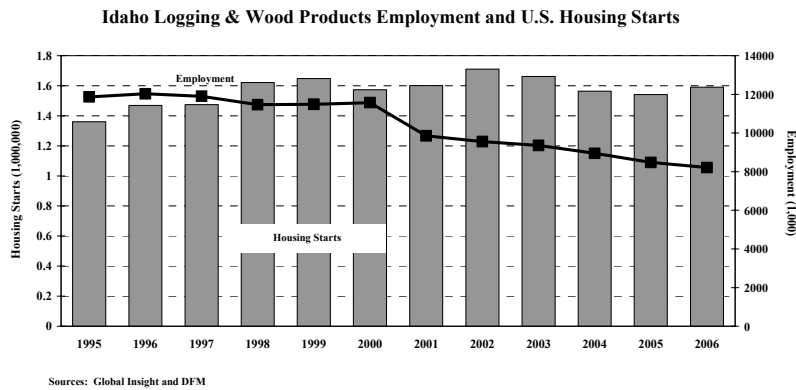
definition of computing devices that dates back to when calculators were powered by hand cranks and their operators were called computers. Thus, in order to include computers in high-tech, the nonelectrical machinery category was used. Unfortunately, it was broad and included other sectors that were not high-tech related. Under NAICS, high-tech more aptly consists just of computers and electronics. This new data shows the state's high-tech sector is not immune from the vagrancies of the business cycle. This sector's employment has been racked recently by the collapse of real U.S. business investment. Fueled by the introduction of new computer hardware and software, Y2K fears, the Internet, and the Telecommunications Act of 1996; real business spending on information process equipment grew at double-digit rates from 1992 to 2000. However, its fortunes reversed quickly. In 2001, spending shrank nearly 6.0%, its first decline since 1975. It then grew by just under 3.0% in 2002. This protracted slowdown has taken its toll on local companies. Most recently,

Micron laid off around 1,100 workers in the Treasure Valley. Company-wide, Micron reduced its work force by 10%, or about 1,800 employees. This move was part of the company's plan to reduce costs in response to the one of the most challenging periods of this young industry's history. Micron is the world's second largest manufacturer of computer memory products. Its primary competitors are Samsung, Infineon, and Hynix. Unfortunately, this is just one in a series of layoffs. Previously, approximately 500 jobs were lost when Jabil Circuit shuttered its two-year old Meridian manufacturing plant. In addition, layoffs by other firms have cost this sector approximately 4,000 jobs during the current downturn. There are signs the industry is poised for growth, but a return to the go-go years of the recent past is unlikely. Several factors suggest this sectors worst episode in recent memory is behind it. First, real spending on equipment is beginning to show signs of life, and it is expected to accelerate over the forecast period. Specifically, during the forecast period it is forecast to average about 10.0% growth per year. While this is well below the 1990's pace, it is a welcome change from its showing earlier this decade. Another factor that bodes well for Micron is the U.S. Department of Commerce's decision to charge Hynix a 57.37% tariff on computer memory it sells in the U.S. This ruling was made in response to complaints the South Korean government was unfairly subsidizing Hynix. If the tariff were made permanent it would effectively prevent Hynix from marketing its products in the United States, which would probably be the demise of Hynix. Interestingly, complaints by European memory manufacturers have led to similar actions by the European Union. The loss of this company in a field crowded with competitors could ease supply, which in turn would boost prices. Idaho's electrical and nonelectrical sector's employment is expected to decline 6.2% this year, 0.5% next year, grow 4.2% in 2005, and 2.9% in 2006.

**Idaho Computer & Electronic Products  
Employment**



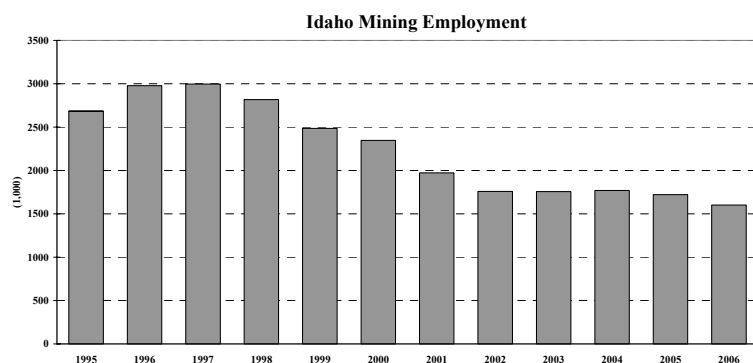
**Lumber and Wood Products:** The outlook for the state's logging and wood products sector remains dismal. Specifically, this sector's employment is expected to shrink in each year of the forecast, as



unfavorable businesses conditions buffet one of Idaho's cornerstone resource industries. What is especially disappointing is that Idaho has fared so poorly during a period of such strong demand. On its surface this runs counter to common sense. The number of Gem State logging and wood product jobs has been contracting since 2000. In contrast, U.S. housing starts expanded from 1.57 million starts in 2000 to 1.71

million starts in 2002. What is occurring is not some exception to the laws of economics. In fact, it is simply a case of demand and supply. The current situation is being shaped not by demand, but by supply. Put simply, the world is awash with supply, and this is keeping prices low despite the healthy demand. Ironically, the strong domestic demand for wood products has exacerbated this problem. The global demand for these products is relatively weak, so exporters have redirected their goods to the hot U.S. market. This has resulted in low prices for domestic producers. At the same time, these producers have seen the supply of relatively inexpensive timber from public lands disappear. This has hit Northwest states particularly hard because they are dependent on logs from public forests. Idaho is no exception. According to the U.S. Department Agriculture, the total amount of timber harvested in Idaho fell from 1.8 million board feet in 1990 to 1.2 billion board feet in 2000, a 31% drop. These data also show that harvests from Idaho national forests fell an astounding 78% over this decade. These low prices have squeezed many companies' profits to the point where they have had to curtail operations. For example, approximately 125 jobs were lost when the former Boise Cascade mill in Cascade, Idaho ceased operations in 2001. About 250 jobs were lost last year when the Emmett, Idaho mill was closed. Potlatch shuttered its Jaype Mill near Pierce the previous year, a move that cost about 215 high-paying jobs. Unfortunately, timber supply is not the only supply issue facing this sector. A structural problem is its chronic over capacity. One estimate shows this industry is already geared up to produce 20% to 25% more lumber than is being consumed in North America and Canada. It is anticipated the industry will gradually regain its balance as the excess supply disappears. However, this will come from the closure of older and less-efficient mills. Unfortunately, mill closings have become an all-too-frequent occurrence in the West. *Random Lengths* recently reported that there were 337 sawmills, plywood plants, veneer mills, and board mills operating in Oregon, Washington, California, Idaho, and Montana, which was just over half the 663 that were in operation ten years ago. Idaho's logging and wood products employment is expected to decline from 9,356 in 2003 to 8,212 in 2006.

**Mining and Chemicals:** After suffering five years of decline, the state's mining sector employment should be flat in both 2003 and 2004. Unfortunately, this respite will be temporary, and employment is forecast to begin declining again in 2005. After peaking at about 3,000 jobs in 1997 this sector had less than 1,800 jobs in 2002. Not all the recent news has been negative, however. Ledcor recently announced it was



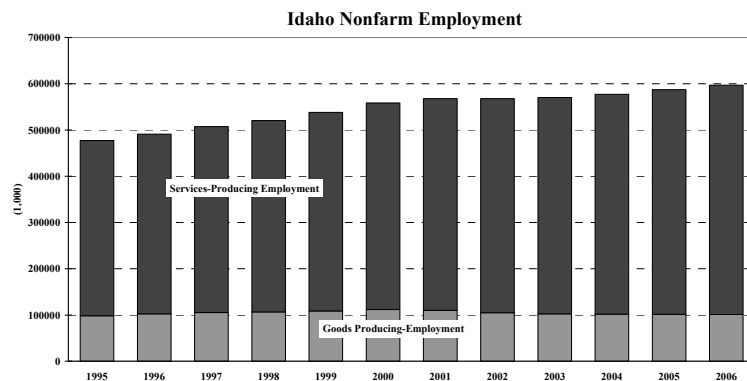
recalling 40 to 50 workers back to the Thompson Creek Molybdenum Mine. The move reflects improved molybdenum prices. Interestingly, this has not been the first time the company has resumed operations over the last year. Strong prices helped restart the plant in July 2002, but it was closed in November as prices eroded. Unlike the mining sector, the state's chemical sector is projected to decline through 2004. But none of these declines will come near the magnitude of the 17.2% decline in 2002 when 400 jobs were lost. This huge drop resulted from the closing of the Astaris (formerly FMC) elemental phosphorous plant located just outside of Pocatello. The plant was a major employer in the community, and its high-paying jobs will be missed. Unfortunately, Astaris is not the only Gem State chemical manufacturer to fall on hard times. Kerr-McGee closed its Soda Springs plant due to the low price of vanadium. The chemical sector should begin adding jobs beginning in 2005. However, its recovery will be gradual and employment numbers will not approach the levels experienced before Astaris turned off its furnaces. Idaho mining employment is expected to grow slightly in 2004, but decline in the other years. Chemical sector employment should grow marginally in 2005, but sustain losses in the other years of the forecast.

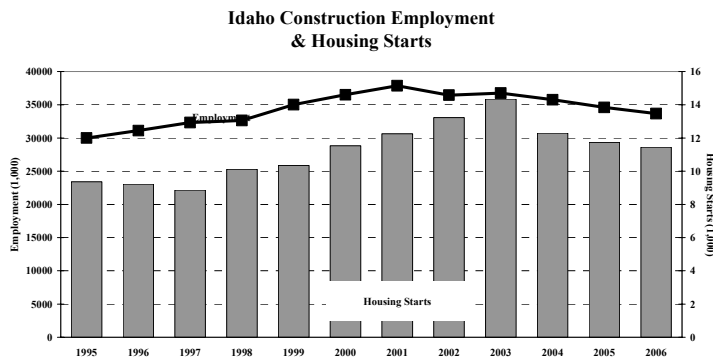
### Services-Producing Industries: One

of the biggest advantages the NAICS has over the SIC is it offers a much more detailed look at the services sector. This is important because the services sector is the largest and fastest growing part of the economy. In Idaho last year, more than four out of every ten jobs was in the services-producing sector. From 1991 to 2002, the number of service-producing jobs increased 63.2% from

1991 to 2002. In comparison, total Idaho nonfarm employment expanded by 44.1%. The three largest services components are: professional and business services; education and health services; and leisure and hospitality services. Together they account for nearly 72.0% of total service-related employment in 2002. In addition, professional and business services and education and health services have posted strong, consistent growth. The next largest group consists of sectors with employment of around 20,000 each. Financial services; transportation, warehousing, and utilities; and other services make up this group. The smallest sector is information services with about 9,200 jobs. The services-producing sectors can be grouped another way, into those that are expected to grow faster than average and those that will grow slower than average. Over the forecast period Idaho services-producing employment should average 2.4% annual growth. Although only two sectors are expected to beat the average, they are major employers. Leisure and hospitality services should be the fastest growing sector, averaging 3.3%. It will be followed closely by education and health services, which advances 3.2%. The state's other large services employer, professional and business services, is forecast to grow 2.2%, which is just shy of the average. Information services also grow 2.2%. Financial Services employment is anticipated to average 1.8%, while other services and transportation, warehousing, and utilities are not expected to break 0.5% growth.

**Construction:** Idaho's construction sector is forecast to take a breather during the forecast period after booming for several years. Both the NAICS- and SIC-based data show this sector's employment advanced steadily through most of the 1990s and early part of this decade. According to NAICS, Idaho construction employment grew from 20,350 in 1991 to 37,860 in 2001, an 86.0% increase. The SIC data show an 84.4% increase over this same period. The data also show the construction sector

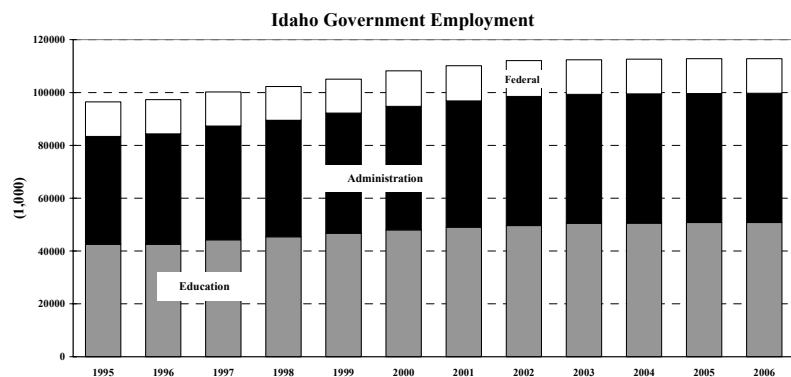




registered a decline in 2002. This has raised fears that after years of booming, construction is entering the bust phase of the business cycle and will begin to hemorrhage jobs. This forecast does show construction jobs being lost, but declines should not be steep. This is because Idaho does not have the huge building inventory overhang associated with the down side of the construction cycle. The rapid rate of growth during the 1990s

resulted from the combination of the dearth of building in the previous decade and the state's population explosion during the 1990s. This resulted in the construction sector being in catch-up mode during most of this period. Thus, supply did not have the opportunity to get significantly ahead of demand. In fact, instead of declining, the number of Idaho housing starts has actually been increasing since 1997. Housing starts are expected to decline next year, but still be at a respectable 12,211 units. After 2004, Idaho housing starts should hover just above 11,000 units per year. Idaho construction employment is forecast to rise 0.8% this year, then decline 2.7% next year, 3.2% in 2005, and 2.7% in 2006.

**Government:** The outlook for all facets of Idaho government employment is flat. This is a big change from the 1990s for state and local government employment. During that period, the influx of new residents strained the capacities of governments. As a consequence, employment expanded 2.8% annually to meet the demands of the exploding population. Growth began to taper down as Idaho's population cooled

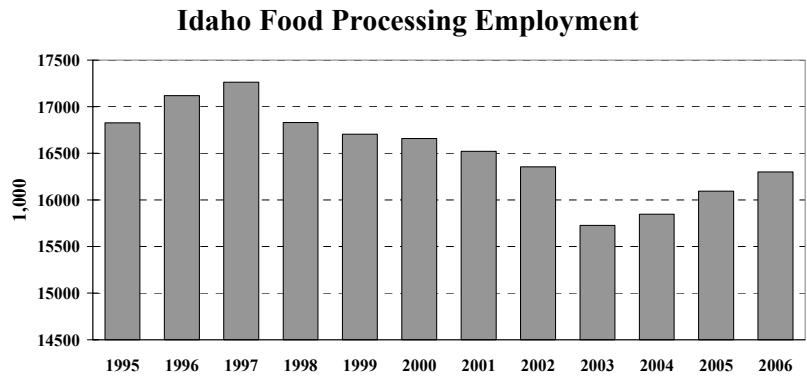


with the start of the new millennium. New laws that limited the growth of local units of governments' budgets curbed growth further. As a result, Idaho state and local government employment slowed from 3.1% in 1999, to 2.7% in 2000, to 2.2% in 2001, and to 1.7% in 2002. Tight budgets promise to take growth even lower. Over the forecast period, Idaho state and local government employment should advance just 0.8% in 2003, increase 0.2% in 2004, and rise 0.1% in both 2005 and 2006. Budget constraints should hold Idaho federal government employment levels virtually steady.

**Food Processing:** Idaho's food processors will face two major hurdles over the forecast period. The first is the weak market for frozen French fries and other processed potato products. Some companies have temporarily curtailed production and laid off workers in response to the current market imbalance. Experts believe the current weak demand reflects consumers retrenching in response to the war with Iraq. They make their case based on consumers' behavior during the previous Gulf War. However, unlike the previous conflict there have arisen concerns that the demand for French fries and potato products are going through a structural change. Whether this is occurring or the market is riding out its business cycle remains to be seen. The second challenge also concerns the potato processing industry. New production facilities are being built in Canada instead of the U.S. For example, J.R. Simplot

Company recently opened its newest plant in Canada. In recent years Canada has become a major player in the processed potato market. For example, it has been reported that the U.S. became a net importer of French fries in 2000. This trend is expected to continue through 2005 as additional Canadian capacity comes on line. Unfortunately, as more Canadian capacity comes online, it makes older, less efficient plants

vulnerable to closures. This has occurred in Idaho. Simplot announced it plans to shutter its Heyburn, Idaho plant in April 2004. Approximately 300 employees were recently employed at the plant. This has raised speculation that other plants may be sharing in the fate of the Heyburn plant. One Idaho sector that has enjoyed strong growth is the state's dairy and milk processing, particularly in the Magic Valley. Over the years, Idaho has seen its dairy herd expand and the capacity to process that milk increase. Another positive is Idaho's food processing industry is diversifying. Idaho is home to Grupo Modelo's first plant outside of Mexico. The company is building a \$64 million plant in Idaho Falls. The plant will have the capacity to process 100,000 metric tons of barley malt per year for the Mexican brewing company. Idaho food processing employment is forecast to dip 3.8% this year, rise 0.8% next year, 1.6% in 2005, and 1.3% in 2006.



## ALTERNATIVE FORECASTS

Global Insight has assigned a 60% probability of occurrence to its June 2003 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP increases 2.4% in 2003, 4.3% in 2004, 3.3% in both 2005 and 2006;
- U.S. nonfarm employment declines 0.1% in 2003, but grows 1.7% in 2004, 2.0% in 2005, and 1.7% in 2006;
- annual average U.S. civilian unemployment peaks at 6.0% this year and falls gradually to 5.5% by 2006;
- inflation remains benign at 2.3% in 2003, 1.5% in 2004, 2.2% in 2005, and 2.4% in 2006;
- the federal government deficit peaks at \$445 billion in 2004;
- and the current account balance deficit climbs steadily to \$664 billion by 2006.

While the baseline forecast is the most probable, other outcomes are also possible. The alternative scenarios considered here diverge in opposite directions from the baseline forecast. In the first, the economy performs better than in the baseline. In the second, the economy falls short of the baseline's showing. A major factor in each scenario is the war with Iraq. Both alternatives and their impacts on the Idaho economy are discussed below.

### OPTIMISTIC SCENARIO

The *Optimistic Scenario* has been assigned a 15% probability of occurrence. The assumptions of this scenario are virtually the same as those in the *Optimistic Scenario* that was presented in the April 2003 *Forecast*. Once again, the quick victory in Iraq boosts consumer and business sentiment. This, in turn, improves consumer spending, business investment, and the stock market. Especially welcome is the recovery to several elements of consumer spending that were hardest hit after September 11, 2001, such as spending on travel and recreation. On the business side, spending on equipment and software also show a noticeable improvement.

The differences between this scenario and the Baseline scenario are measurable. Real GDP, the most widely quoted barometer of the economy's health, grows about 0.4% faster in both 2003 and 2004 than in the baseline. Nonfarm employment, which has been disappointing during the recovery, is nearly 670,000 higher in 2003 compared to its baseline counterpart and about 1,121,000 higher in 2004. The unemployment rate peaks at 6.0%, then works its way down to its natural rate 4.5%-5.0% over the next three years. In the Baseline Scenario, the real unemployment rate improves slower, achieving 5.5% in 2006.

Driven by the stronger national economy, Idaho's economy also out performs its counterpart. This can be seen in both the employment and income forecasts. Idaho nonfarm income grows 0.5% this year, 1.6% next year, 2.5% in 2005, and 2.3% in 2006. Part of the reason for this strong showing is the goods-producing sector's employment begins growing in 2004 and continues growing through 2006. In the *Baseline Scenario* it declines in each year. Idaho personal income increases faster in this scenario. Specifically, Idaho nominal personal income advances 3.7% in 2003, 5.8% in 2004, 6.2% in 2005, and 6.8% in 2006. It rises 3.5% in 2003, 5.2% in 2004 and 2005, and 5.5% in the *Baseline*. Idaho real personal income is also higher in the *Optimistic Scenario* versus the *Baseline Scenario*.



**IDAHO ECONOMIC FORECAST**  
**BASELINE AND ALTERNATIVE FORECASTS**  
**JULY 2003**

	BASELINE					OPTIMISTIC					PESSIMISTIC				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
<b>GDP (BILLIONS)</b>															
Current \$	10,446	10,868	11,552	12,207	12,898	10,446	10,911	11,638	12,366	13,215	10,446	10,822	11,354	11,924	12,495
% Ch	3.6%	4.0%	6.3%	5.7%	5.7%	3.6%	4.4%	6.7%	6.3%	6.9%	3.6%	3.6%	4.9%	5.0%	4.8%
1996 Chain-Weighted	9,440	9,662	10,075	10,408	10,747	9,440	9,699	10,147	10,525	10,931	9,440	9,623	9,930	10,235	10,511
% Ch	2.4%	2.4%	4.3%	3.3%	3.3%	2.4%	2.7%	4.6%	3.7%	3.9%	2.4%	1.9%	3.2%	3.1%	2.7%
<b>PERSONAL INCOME - CURR \$</b>															
Idaho (Millions)	33,605	34,776	36,584	38,485	40,619	33,605	34,840	36,843	39,134	41,792	33,605	34,715	36,164	37,789	39,711
% Ch	3.8%	3.5%	5.2%	5.2%	5.5%	3.8%	3.7%	5.8%	6.2%	6.8%	3.8%	3.3%	4.2%	4.5%	5.1%
U.S. (Billions)	8,929	9,255	9,727	10,247	10,825	8,929	9,277	9,798	10,383	11,092	8,929	9,235	9,605	10,036	10,526
% Ch	2.8%	3.6%	5.1%	5.3%	5.6%	2.8%	3.9%	5.6%	6.0%	6.8%	2.8%	3.4%	4.0%	4.5%	4.9%
<b>PERSONAL INCOME - 1996 \$</b>															
Idaho (Millions)	30,257	30,737	31,784	32,710	33,728	30,257	30,790	31,969	33,096	34,325	30,257	30,699	31,551	32,346	33,260
% Ch	2.4%	1.6%	3.4%	2.9%	3.1%	2.4%	1.8%	3.8%	3.5%	3.7%	2.4%	1.5%	2.8%	2.5%	2.8%
U.S. (Billions)	8,039	8,180	8,451	8,709	8,989	8,039	8,199	8,502	8,781	9,110	8,039	8,167	8,380	8,590	8,816
% Ch	1.4%	1.7%	3.3%	3.1%	3.2%	1.4%	2.0%	3.7%	3.3%	3.7%	1.4%	1.6%	2.6%	2.5%	2.6%
<b>TOTAL NONFARM EMPLOYMENT</b>															
Idaho	568,017	570,212	577,053	587,046	596,681	568,017	570,753	579,959	594,716	608,349	568,017	569,604	572,543	580,380	588,638
% Ch	0.0%	0.4%	1.2%	1.7%	1.6%	0.0%	0.5%	1.6%	2.5%	2.3%	0.0%	0.3%	0.5%	1.4%	1.4%
U.S. (Thousands)	130,776	130,615	132,836	135,431	137,750	130,776	130,854	133,514	136,552	139,600	130,776	130,343	131,535	133,551	135,406
% Ch	-0.9%	-0.1%	1.7%	2.0%	1.7%	-0.9%	0.1%	2.0%	2.3%	2.2%	-0.9%	-0.3%	0.9%	1.5%	1.4%
<b>GOODS PRODUCING SECTOR</b>															
Idaho	105,026	102,673	101,738	101,557	101,304	105,026	102,964	103,443	106,247	107,701	105,026	102,283	98,690	97,873	97,890
% Ch	-4.7%	-2.2%	-0.9%	-0.2%	-0.2%	-4.7%	-2.0%	0.5%	2.7%	1.4%	-4.7%	-2.6%	-3.5%	-0.8%	0.0%
U.S. (Thousands)	23,834	23,257	23,182	23,584	23,953	23,834	23,303	23,424	24,138	24,992	23,834	23,208	22,710	22,825	23,095
% Ch	-4.5%	-2.4%	-0.3%	1.7%	1.6%	-4.5%	-2.2%	0.5%	3.0%	3.5%	-4.5%	-2.6%	-2.1%	0.5%	1.2%
<b>NONGOODS PRODUCING SECTOR</b>															
Idaho	462,991	467,539	475,314	485,489	495,377	462,991	467,789	476,516	488,469	500,648	462,991	467,321	473,853	482,507	490,748
% Ch	1.1%	1.0%	1.7%	2.1%	2.0%	1.1%	1.0%	1.9%	2.5%	2.5%	1.1%	0.9%	1.4%	1.8%	1.7%
U.S. (Thousands)	106,942	107,358	109,654	111,847	113,797	106,942	107,552	110,090	112,415	114,608	106,942	107,135	108,825	110,725	112,311
% Ch	0.0%	0.4%	2.1%	2.0%	1.7%	0.0%	0.6%	2.4%	2.1%	2.0%	0.0%	0.2%	1.6%	1.7%	1.4%
<b>SELECTED INTEREST RATES</b>															
Federal Funds	1.7%	1.3%	1.7%	2.7%	3.0%	1.7%	1.5%	2.2%	3.5%	4.5%	1.7%	1.2%	1.2%	2.3%	3.0%
Bank Prime	4.7%	4.3%	4.7%	5.7%	6.0%	4.7%	4.5%	5.2%	6.5%	7.5%	4.7%	4.2%	4.2%	5.3%	6.0%
Existing Home Mortgage	6.5%	5.7%	6.1%	7.0%	7.2%	6.5%	5.8%	6.2%	7.3%	7.7%	6.5%	5.7%	5.9%	6.9%	7.3%
<b>INFLATION</b>															
GDP Price Deflator	1.1%	1.6%	1.9%	2.3%	2.3%	1.1%	1.7%	2.0%	2.4%	2.9%	1.1%	1.6%	1.7%	1.9%	2.0%
Personal Cons Deflator	1.4%	1.9%	1.7%	2.2%	2.4%	1.1%	1.7%	2.0%	2.4%	2.9%	1.4%	1.8%	1.4%	1.9%	2.2%
Consumer Price Index	1.6%	2.2%	1.5%	2.2%	2.4%	1.6%	2.3%	1.6%	2.5%	3.0%	1.6%	2.2%	1.1%	1.9%	2.3%

**Forecast Begins the FIRST Quarter of 2003**

## PESSIMISTIC SCENARIO

This scenario has been assigned a 25% probability of occurrence. In this scenario consumers are more tightfisted with their tax cuts than in the baseline. Thus, spending grows too slowly to lure business back into hiring and spending. As a result, layoffs continue through the summer as companies keep their belts tightened and service jobs continue to be exported. Businesses grow hesitant to adopt the newest technologies on faith, and instead must be convinced that investment will contribute to their bottom lines.

The Federal Reserve recognizes the tax cuts are not having their desired results, and takes matters into its own hands. In an effort to kick start the economy. It drops its federal funds rate in August to 1.00%. (Note: This forecast was prepared before the Federal Reserve lowered its federal funds rate on June 25, 2003.) The lower rates soften the decline of the housing market and help businesses improve their balance sheets. Although the economy never slips into a recession, real GDP growth in the second half of this year is markedly below the baseline's pace. It does gain some steam in 2004 when generous tax refunds spark a surge in spending. After growing just 1.9% in 2003, real GDP grows 3.2% in 2004, but slips back to 3.1% in 2005, and 2.7% in 2006.

In this *Scenario*, Idaho turns in a sub-par performance compared to the *Baseline Scenario*. For example, nonfarm employment growth is weaker in each year of the forecast. The goods-producing sector is particularly hard hit, sustaining significant declines through 2005. As a result, this sector's employment falls and remains below 100,000 over the forecast period. Not surprisingly, Idaho personal income growth is below the baseline's pace. Nominal personal income grows just 3.3% in 2003, 4.2% in 2004, 4.5% in 2005, and 5.1% in 2006. Real personal income rises 1.5% this year, 2.8% next year, 2.5% in 2005, and 2.8% in 2006.

## CHANGING THE WAY WE CLASSIFY INDUSTRIES

### IDAHO DEPARTMENT OF LABOR

The North American Industry Classification System (NAICS) is the new standard for the industrial classification of businesses. The North American Industry Classification System is replacing the Standard Industrial Classification (SIC) system used for 60 years to categorize establishments in the United States. It is not a mere revision of SIC, but a new and more comprehensive classification system. Several government agencies, including the U.S. Bureau of Labor Statistics (BLS), began the laborious process of assigning new codes to approximately 8.2 million employers covered by unemployment insurance laws in 1997. After six years of hard work, the conversion from SIC to NAICS is complete.

Passage of the North American Free Trade Agreement (NAFTA) in January 1994 led to a need for meaningful statistics about products, sales, and employment across the borders of the United States, Canada, and Mexico. To meet this need, the three countries would have to use the same classification system to allow for direct comparisons of economic data. The North American Industry Classification System was developed in cooperation with foreign partners Statistics Canada and Mexico's National Institute of Statistics, Geography and Informatics (INEGI). More information about NAICS can be found on the Internet by visiting the BLS site at <http://www.bls.gov/bls/naics.htm>. Statistics Canada's web address is <http://www.statcan.ca/start.html> and INEGI's web address is <http://www.inegi.gob.mx/difusion/ingles/portadai.html>.

The need for a new system also reflected widespread concern that the SIC system no longer reflected the structure of the U.S. economy. To deal with these issues, three major federal statistical agencies, BLS, U.S. Census Bureau, and Bureau of Economic Analysis (BEA), decided to develop a new industrial classification system with input from both data users and data producers. The NAICS focuses on the identification of new and emerging industries and provides increased detail in the services compared to what was available under the SIC system.

The numeric system of NAICS coding has no relationship to that of SIC. There are 20 broad categories in NAICS compared to only 10 divisions in SIC. The highest level of NAICS classification is called the sector, corresponding roughly with the division level in SIC. The NAICS has five levels of classification within detailed codes that have a maximum of six digits. SIC provided only four levels of classification within four-digit detailed codes. Many of these new sectors reflect recognizable parts of SIC divisions, while other sectors represent combinations of pieces from more than one SIC division. For instance, the *Utilities* and *Transportation* sectors were separated from the *Transportation, Communications, and Utilities* division, and the *Services* division under SIC has been subdivided to form several new sectors under NAICS. The new *Information* sector includes major components from the SIC divisions of *Transportation*,

*Communications, and Utilities* (broadcasting and telecommunications), *Manufacturing* (publishing), and *Services* (software publishing, data processing, information services, motion picture and sound recording). The *Accommodation and Food Services* sector combines hotels and other lodging places from *Services* with eating and drinking places from *Retail Trade*.

NAICS will better reflect today's industrial mix by separately recognizing for the first time over 350 industries such as bed and breakfast inns, cable networks, casinos, environmental consulting, health maintenance organizations, medical centers, nail salons, pet supply stores and pet care centers, satellite communications, semiconductor machinery manufacturing, telemarketing centers, temporary help suppliers, warehouse clubs, and weight reduction centers. Under the SIC system, many unrelated services and products had to be grouped under the *Not Elsewhere Classified* category in each industrial sector. For example, SIC 7389 (*Business Services, Not Elsewhere Classified*) included such disparate services as wig styling, telemarketing, swimming pool cleaning, check validation, special events decorating, and embroidering advertising on shirts.

The NAICS uses a production-based concept of classification. Under the SIC system, some establishments were classified by the production processes they used, but others were classified by different criteria, such as whether their customers were retail or wholesale. The NAICS consistently focuses on grouping establishments with similar activities and processes, rather than focusing on what is produced or on who buys the products. As a result of this focus, the NAICS reclassification will substantially change which businesses are included in certain sectors. For instance, establishments considered to be engaged in wholesale trade under the SIC system, such as the sale of used auto parts or office furniture, could be reclassified as retail trade if they are open to the public. Under NAICS, establishments that sell merchandise in small quantities using public-oriented methods like mass media advertising and high-traffic locations are classified as retailers. Establishments that sell merchandise in large quantities using business-oriented sales methods, such as specialized catalogs and warehouse locations closed to the public, are classified as wholesalers.

Under NAICS, auxiliary establishments will also be classified differently than under SIC. Auxiliary establishments—those that provide services such as warehousing or data processing to other organizations within the same company—were classified in the same industry as their parent companies under SIC. The NAICS classifies each auxiliary establishment according to the services they provide.

This part of the article focuses on some of the shifts Idaho's economic development and academic researchers face when analyzing non-seasonally adjusted BLS backcast data for Idaho's new NAICS industries. It also focuses on a few of the challenges when comparing some of Idaho's NAICS data to Idaho's SIC data for major sectors.

Idaho's economic development and academic researchers use industrial and business statistics to measure the local economy and to conduct market analysis and impact

studies. One of the challenges they face is comparing BLS data over time. Unless Idaho's researchers and economists understand the new NAICS classification system and its inherent employment shifts, they cannot perform the research and analysis requested by their employers and clients. While most historical SIC data is available, comparing historical SIC data to current NAICS data will be very difficult due to new NAICS industries, the shifting of existing industries, and the shifting of industries in *Goods-Producing* to *Services-Providing*.

NAICS has added many industries and sectors that were unknown in the SIC system. These were created by the reclassification of corporate offices and SIC industries such as *Business Services*. For example, corporate offices were assigned the SIC code that reflects their company, not their function. Under NAICS, Business Services is mostly spread out among three new industries, the two mentioned previously and the new *Professional, Scientific, and Technical Services* industry. Other NAICS industries that deserve mentioning for Idaho are *Information and Computer and Electronic Product Manufacturing*. *Information*, which includes *Publishing*, (formerly under the SIC *Manufacturing* division) is now part of the NAICS *Service-Providing Industries*. *Computer and Electronic Product Manufacturing* represent Idaho's hi-tech industry.

A starting place for Idaho's economic development and academic researchers to understand the transition from SIC to NAICS is to understand the employment shifts between *Goods-Producing Industries* and *Service-Providing Industries*. The difference between SIC and NAICS for *Goods-Producing Industry* is offset by the difference between SIC and NAICS for *Service-Providing Industries*. These offsets are not unique to Idaho. In all states, as well as the nation, the differences between SIC and NAICS for *Goods-Producing Industries* offset the differences between SIC and NAICS for *Service-Providing Industries*, however, the magnitudes of the differences vary. On average, the conversion from SIC to NAICS decreased Idaho's employment in *Goods-Producing Industries* by more than 5 percent.

As already determined, after converting from SIC to NAICS, the decreases in *Goods-Producing Industries* must be offset by an increase in *Service-Providing Industries*. On average, the conversion from SIC to NAICS increased Idaho's employment in *Service-Providing Industries* by more than 1 percent.

Even though, the number of jobs shifting from *Goods-Producing Industries* to *Service-Providing Industries* has a net difference of zero after converting from SIC to NAICS, the percentage changes in each sector are different. This is because nonfarm employment is not equally divided between the *Goods-Producing Industries* and the *Service-Providing Industries*. The *Service Providing Industries* has a much larger employment base than its *Good-Producing Industries* counterpart.

In the *Manufacturing* industries, the conversion from SIC to NAICS and the corresponding backcast resulted in a decrease of 7,000 to 10,000 people in any given year. The reclassification of some SIC businesses previously in *Goods-Producing*

*Industries*, such as *Publishing* mentioned earlier, is partly responsible for the shifting of these jobs to NAICS *Service-Providing Industries*.

Even though the data shows a net change in employment of zero from *Goods-Producing Industries* to *Service-Providing Industries*, the reclassification of businesses and industries within the *Service-Providing Industries* can create difficulties when performing historical analysis on some affected industries. The conversion from SIC to NAICS caused a decrease in Idaho's *Retail Trade* sector of 21,000 to 35,000 any given year of the backcast from 1990 to 2000. This employment shifted out of *Retail Trade* and into other NAICS *Service-Providing Industries* such as *Management of Companies and Enterprises*.

Fortunately there are a couple of NAICS industries that are of particular interest to Idahoans that almost match up one-for-one with their corresponding SIC counterparts. These are *logging*, which is no longer part of *Manufacturing*; but is now part of the *Natural Resources* sector. The changes in employment for these two industries were negligible during the conversion from SIC to NAICS.

Now that the BLS has fully converted Current Employment Statistics data from SIC to NAICS, Idaho's researchers and economic development professionals can finally analyze the inherent employment shifts associated with the conversion process. Even though Idaho's net change between SIC and NAICS is zero, analyzing the internal employment shifts are very difficult due to the many NAICS reclassified businesses and industries. This is compounded when forced to compare twenty sectors under NAICS to only ten divisions under SIC. However, there is some solace in the fact that the BLS has provided historical NAICS backcast data to aid in understanding these employment shifts.

# **IDAHO ECONOMIC FORECAST**

**JULY 2003**

## **FORECAST DETAIL**

Annual Forecast 1991-2006 ..... Page 28

Quarterly Forecast 2001-2006..... Page 42

### **Reporting Conventions**

Units of measurement are presented in the individual reports. If not otherwise indicated, population is in millions and income is in billions.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

### **Data Sources**

National forecast data are provided by Global Insight and the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data are obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2003**

**DEMOGRAPHICS**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>POPULATION</b>								
Idaho (Thousands)	1,041.2	1,072.1	1,108.6	1,144.9	1,177.0	1,203.2	1,228.4	1,252.3
% Ch	2.8%	3.0%	3.4%	3.3%	2.8%	2.2%	2.1%	1.9%
National (Millions)	253.946	257.357	260.688	263.853	266.980	270.115	273.368	276.553
% Ch	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%
<b>BIRTHS</b>								
Idaho (Thousands)	16.741	17.197	17.575	17.690	17.915	18.482	18.599	19.188
% Ch	1.9%	2.7%	2.2%	0.7%	1.3%	3.2%	0.6%	3.2%
National (Thousands)	4,110	4,038	3,997	3,964	3,935	3,911	3,892	3,880
% Ch	-1.2%	-1.8%	-1.0%	-0.8%	-0.7%	-0.6%	-0.5%	-0.3%
<b>DEATHS</b>								
Idaho (Thousands)	7.644	7.887	8.277	8.478	8.553	8.679	8.953	9.105
% Ch	3.9%	3.2%	4.9%	2.4%	0.9%	1.5%	3.2%	1.7%
National (Thousands)	2,163	2,210	2,237	2,264	2,291	2,318	2,345	2,372
% Ch	0.0%	2.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
<b>NET MIGRATION</b>								
Idaho (Thousands)	19.017	21.659	27.168	27.115	22.652	152.194	15.583	13.836
<b>HOUSING</b>								
<b>HOUSING STARTS</b>								
Idaho	6,600	9,584	11,457	12,766	9,360	9,219	8,864	10,113
% Ch	13.2%	45.2%	19.5%	11.4%	-26.7%	-1.5%	-3.9%	14.1%
National (Millions)	1.009	1.201	1.292	1.446	1.361	1.469	1.475	1.621
% Ch	-16.2%	19.1%	7.5%	12.0%	-5.9%	7.9%	0.4%	9.9%
<b>SINGLE UNITS</b>								
Idaho	5,662	7,900	8,939	9,420	7,281	7,849	7,659	9,044
% Ch	18.3%	39.5%	13.1%	5.4%	-22.7%	7.8%	-2.4%	18.1%
National (Millions)	0.835	1.032	1.131	1.191	1.082	1.154	1.136	1.278
% Ch	-7.3%	23.6%	9.6%	5.4%	-9.2%	6.7%	-1.6%	12.4%
<b>MULTIPLE UNITS</b>								
Idaho	938	1,684	2,518	3,345	2,079	1,370	1,205	1,069
% Ch	-10.3%	79.6%	49.5%	32.9%	-37.9%	-34.1%	-12.0%	-11.3%
National (Millions)	0.174	0.170	0.161	0.255	0.279	0.314	0.338	0.344
% Ch	-42.6%	-2.4%	-5.1%	58.3%	9.4%	12.7%	7.6%	1.6%
<b>HOUSING STOCK</b>								
Idaho (Thousands)	339.8	347.4	356.9	368.7	377.8	386.2	393.7	402.3
% Ch	1.5%	2.2%	2.7%	3.3%	2.4%	2.2%	1.9%	2.2%

**National Variables Forecast by Global Insight**  
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**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2003**

**DEMOGRAPHICS**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>POPULATION</b>								
Idaho (Thousands)	1,275.7	1,299.1	1,320.7	1,341.0	1,354.1	1,367.8	1,381.5	1,395.2
% Ch	1.9%	1.8%	1.7%	1.5%	1.0%	1.0%	1.0%	1.0%
National (Millions)	279.731	282.872	285.963	288.977	291.694	294.238	296.760	299.271
% Ch	1.1%	1.1%	1.1%	1.1%	0.9%	0.9%	0.9%	0.8%
<b>BIRTHS</b>								
Idaho (Thousands)	19.897	20.304	20.684	20.116	20.179	20.323	20.471	20.628
% Ch	3.7%	2.0%	1.9%	-2.7%	0.3%	0.7%	0.7%	0.8%
National (Thousands)	3,874	3,872	3,876	3,885	3,901	3,925	3,955	3,991
% Ch	-0.2%	-0.1%	0.1%	0.2%	0.4%	0.6%	0.8%	0.9%
<b>DEATHS</b>								
Idaho (Thousands)	9.488	9.538	9.811	9.837	9.949	10.064	10.179	10.294
% Ch	4.2%	0.5%	2.9%	0.3%	1.1%	1.2%	1.1%	1.1%
National (Thousands)	2,399	2,424	2,446	2,467	2,487	2,507	2,528	2,548
% Ch	1.1%	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%
<b>NET MIGRATION</b>								
Idaho (Thousands)	12.975	12.658	10.645	10.085	2.871	3.427	3.394	3.353
<b>HOUSING</b>								
<b>HOUSING STARTS</b>								
Idaho	10,345	11,532	12,253	13,222	14,342	12,288	11,734	11,446
% Ch	2.3%	11.5%	6.2%	7.9%	8.5%	-14.3%	-4.5%	-2.5%
National (Millions)	1.647	1.573	1.601	1.711	1.662	1.563	1.541	1.590
% Ch	1.6%	-4.5%	1.8%	6.9%	-2.9%	-5.9%	-1.4%	3.2%
<b>SINGLE UNITS</b>								
Idaho	9,194	10,388	10,439	11,180	11,957	10,958	10,519	10,304
% Ch	1.7%	13.0%	0.5%	7.1%	6.9%	-8.4%	-4.0%	-2.0%
National (Millions)	1.306	1.232	1.272	1.364	1.360	1.313	1.299	1.310
% Ch	2.2%	-5.7%	3.2%	7.2%	-0.3%	-3.4%	-1.1%	0.9%
<b>MULTIPLE UNITS</b>								
Idaho	1,151	1,145	1,814	2,041	2,385	1,330	1,216	1,142
% Ch	7.6%	-0.5%	58.4%	12.6%	16.8%	-44.2%	-8.6%	-6.0%
National (Millions)	0.341	0.341	0.330	0.347	0.302	0.250	0.242	0.280
% Ch	-0.7%	0.1%	-3.5%	5.4%	-13.1%	-17.2%	-3.2%	15.7%
<b>HOUSING STOCK</b>								
Idaho (Thousands)	411.3	421.2	432.1	442.9	456.3	467.7	478.2	488.3
% Ch	2.2%	2.4%	2.6%	2.5%	3.0%	2.5%	2.2%	2.1%

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**IDAHO ECONOMIC FORECAST  
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**OUTPUT, INCOME, & WAGES**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>GROSS DOM. PRODUCT (Billions)</b>								
Current Dollars	5,986	6,319	6,642	7,054	7,401	7,813	8,318	8,782
% Ch	3.2%	5.6%	5.1%	6.2%	4.9%	5.6%	6.5%	5.6%
1996 Chain-Weighted	6,676	6,880	7,063	7,348	7,544	7,813	8,159	8,509
% Ch	-0.5%	3.1%	2.7%	4.0%	2.7%	3.6%	4.4%	4.3%
 <b>PERSONAL INCOME - CURR \$</b>								
Idaho (Millions)	16,825	18,382	20,105	21,399	22,869	24,174	25,227	27,066
% Ch	4.8%	9.3%	9.4%	6.4%	6.9%	5.7%	4.4%	7.3%
Idaho Nonfarm (Millions)	16,026	17,581	19,040	20,706	22,073	23,298	24,557	26,149
% Ch	6.3%	9.7%	8.3%	8.7%	6.6%	5.6%	5.4%	6.5%
National (Billions)	5,085	5,390	5,610	5,888	6,201	6,547	6,937	7,426
% Ch	3.7%	6.0%	4.1%	5.0%	5.3%	5.6%	6.0%	7.0%
 <b>PERSONAL INCOME - 1996 \$</b>								
Idaho (Millions)	18,923	20,061	21,431	22,357	23,359	24,172	24,745	26,268
% Ch	0.9%	6.0%	6.8%	4.3%	4.5%	3.5%	2.4%	6.2%
Idaho Nonfarm (Millions)	18,024	19,187	20,296	21,632	22,545	23,297	24,088	25,379
% Ch	2.4%	6.5%	5.8%	6.6%	4.2%	3.3%	3.4%	5.4%
National (Billions)	5,720	5,883	5,980	6,152	6,334	6,547	6,805	7,208
% Ch	-0.1%	2.9%	1.7%	2.9%	3.0%	3.4%	3.9%	5.9%
 <b>PER CAPITA PERS INC - CURR \$</b>								
Idaho	16,159	17,144	18,133	18,688	19,430	20,091	20,535	21,611
% Ch	2.0%	6.1%	5.8%	3.1%	4.0%	3.4%	2.2%	5.2%
National	20,025	20,944	21,519	22,314	23,226	24,238	25,375	26,851
% Ch	2.3%	4.6%	2.7%	3.7%	4.1%	4.4%	4.7%	5.8%
 <b>PER CAPITA PERS INC - 1996 \$</b>								
Idaho	18,174	18,710	19,330	19,526	19,846	20,090	20,143	20,975
% Ch	-1.8%	2.9%	3.3%	1.0%	1.6%	1.2%	0.3%	4.1%
National	22,523	22,859	22,940	23,315	23,725	24,239	24,892	26,062
% Ch	-1.4%	1.5%	0.4%	1.6%	1.8%	2.2%	2.7%	4.7%
 <b>AVERAGE ANNUAL WAGE</b>								
Idaho	20,764	21,640	22,075	22,770	23,636	24,192	24,876	25,879
% Ch	N/C	4.2%	2.0%	3.1%	3.8%	2.4%	2.8%	4.0%
National	26,089	27,465	27,868	28,355	29,223	30,322	31,699	33,313
% Ch	3.6%	5.3%	1.5%	1.7%	3.1%	3.8%	4.5%	5.1%

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**OUTPUT, INCOME, & WAGES**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>GROSS DOM. PRODUCT (Billions)</b>								
Current Dollars	9,274	9,825	10,082	10,446	10,868	11,552	12,207	12,898
% Ch	5.6%	5.9%	2.6%	3.6%	4.0%	6.3%	5.7%	5.7%
1996 Chain-Weighted	8,859	9,191	9,215	9,440	9,662	10,075	10,408	10,747
% Ch	4.1%	3.8%	0.3%	2.4%	2.4%	4.3%	3.3%	3.3%
 <b>PERSONAL INCOME - CURR \$</b>								
Idaho (Millions)	28,902	31,177	32,363	33,605	34,776	36,584	38,485	40,619
% Ch	6.8%	7.9%	3.8%	3.8%	3.5%	5.2%	5.2%	5.5%
Idaho Nonfarm (Millions)	27,872	30,382	31,400	32,594	33,685	35,298	37,229	39,319
% Ch	6.6%	9.0%	3.3%	3.8%	3.3%	4.8%	5.5%	5.6%
National (Billions)	7,786	8,407	8,685	8,929	9,255	9,727	10,247	10,825
% Ch	4.9%	8.0%	3.3%	2.8%	3.6%	5.1%	5.3%	5.6%
 <b>PERSONAL INCOME - 1996 \$</b>								
Idaho (Millions)	27,594	29,030	29,538	30,257	30,737	31,784	32,710	33,728
% Ch	5.0%	5.2%	1.7%	2.4%	1.6%	3.4%	2.9%	3.1%
Idaho Nonfarm (Millions)	26,611	28,291	28,659	29,346	29,772	30,667	31,642	32,649
% Ch	4.9%	6.3%	1.3%	2.4%	1.4%	3.0%	3.2%	3.2%
National (Billions)	7,435	7,828	7,927	8,039	8,180	8,451	8,709	8,989
% Ch	3.2%	5.3%	1.3%	1.4%	1.7%	3.3%	3.1%	3.2%
 <b>PER CAPITA PERS INC - CURR \$</b>								
Idaho	22,654	23,997	24,505	25,059	25,681	26,745	27,857	29,113
% Ch	4.8%	5.9%	2.1%	2.3%	2.5%	4.1%	4.2%	4.5%
National	27,835	29,717	30,372	30,898	31,728	33,057	34,528	36,172
% Ch	3.7%	6.8%	2.2%	1.7%	2.7%	4.2%	4.4%	4.8%
 <b>PER CAPITA PERS INC - 1996 \$</b>								
Idaho	21,630	22,346	22,366	22,563	22,699	23,237	23,677	24,175
% Ch	3.1%	3.3%	0.1%	0.9%	0.6%	2.4%	1.9%	2.1%
National	26,579	27,672	27,722	27,820	28,042	28,721	29,347	30,036
% Ch	2.0%	4.1%	0.2%	0.4%	0.8%	2.4%	2.2%	2.4%
 <b>AVERAGE ANNUAL WAGE</b>								
Idaho	27,011	28,688	28,687	29,205	29,981	31,006	32,182	33,348
% Ch	4.4%	6.2%	0.0%	1.8%	2.7%	3.4%	3.8%	3.6%
National	34,678	36,716	37,526	38,262	39,603	41,016	42,475	44,042
% Ch	4.1%	5.9%	2.2%	2.0%	3.5%	3.6%	3.6%	3.7%

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**PERSONAL INCOME--CURRENT \$\$**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>WAGE AND SALARY PAYMENTS</b>								
Idaho (Millions)	8,533	9,307	9,991	10,916	11,725	12,316	13,109	13,973
% Ch	7.1%	9.1%	7.3%	9.3%	7.4%	5.0%	6.4%	6.6%
National (Billions)	2,824	2,983	3,085	3,237	3,425	3,626	3,889	4,193
% Ch	2.5%	5.6%	3.4%	4.9%	5.8%	5.9%	7.2%	7.8%
<b>FARM PROPRIETORS INCOME</b>								
Idaho (Millions)	601	603	839	410	496	585	344	580
% Ch	-22.1%	0.3%	39.3%	-51.2%	21.1%	17.9%	-41.1%	68.5%
National (Billions)	26	33	30	32	22	34	30	26
% Ch	-15.3%	23.9%	-7.8%	6.0%	-30.5%	54.4%	-13.3%	-13.9%
<b>NONFARM PROPRIETORS INCOME</b>								
Idaho (Millions)	1,515	1,833	2,139	2,342	2,264	2,337	2,408	2,602
% Ch	-3.1%	21.0%	16.7%	9.5%	-3.3%	3.2%	3.0%	8.1%
National (Billions)	358	402	432	445	476	510	551	598
% Ch	2.3%	12.3%	7.5%	3.0%	6.9%	7.4%	8.0%	8.5%
<b>DIVIDENDS, RENT &amp; INTEREST</b>								
Idaho (Millions)	3,254	3,367	3,554	3,925	4,377	4,650	5,044	5,470
% Ch	4.3%	3.5%	5.6%	10.4%	11.5%	6.2%	8.5%	8.4%
National (Billions)	1,006	999	1,019	1,087	1,164	1,238	1,327	1,451
% Ch	2.0%	-0.8%	2.1%	6.7%	7.1%	6.3%	7.2%	9.4%
<b>OTHER LABOR INCOME</b>								
Idaho (Millions)	1,265	1,415	1,591	1,725	1,714	1,728	1,681	1,726
% Ch	10.7%	11.8%	12.5%	8.4%	-0.6%	0.8%	-2.7%	2.6%
National (Billions)	416	450	483	507	497	490	475	491
% Ch	6.6%	8.2%	7.4%	5.1%	-2.1%	-1.4%	-3.0%	3.2%
<b>GOVT. TRANSFERS TO INDIV.</b>								
Idaho (Millions)	2,192	2,442	2,626	2,777	3,012	3,285	3,394	3,499
% Ch	11.2%	11.4%	7.5%	5.8%	8.5%	9.1%	3.3%	3.1%
National (Billions)	670	752	799	834	886	929	962	984
% Ch	12.7%	12.2%	6.2%	4.4%	6.2%	4.8%	3.6%	2.2%
<b>CONTRIB. FOR SOCIAL INSUR.</b>								
Idaho (Millions)	704	756	817	900	949	987	1,045	1,102
% Ch	9.8%	7.5%	8.0%	10.2%	5.5%	4.0%	5.8%	5.5%
National (Billions)	215	227	238	254	269	280	298	316
% Ch	5.6%	5.3%	5.0%	6.8%	5.8%	4.3%	6.2%	6.2%
<b>RESIDENCE ADJUSTMENT</b>								
Idaho (Millions)	169	173	183	204	230	260	292	321
% Ch	9.2%	2.8%	5.3%	11.8%	12.9%	12.9%	12.3%	10.0%

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**PERSONAL INCOME--CURRENT \$\$**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>WAGE AND SALARY PAYMENTS</b>								
Idaho (Millions)	15,040	16,562	16,855	17,192	17,735	18,554	19,576	20,601
% Ch	7.6%	10.1%	1.8%	2.0%	3.2%	4.6%	5.5%	5.2%
National (Billions)	4,470	4,836	4,951	5,004	5,173	5,449	5,753	6,067
% Ch	6.6%	8.2%	2.4%	1.1%	3.4%	5.3%	5.6%	5.5%
<b>FARM PROPRIETORS INCOME</b>								
Idaho (Millions)	699	432	587	611	685	869	828	861
% Ch	20.5%	-38.2%	35.9%	4.0%	12.2%	26.8%	-4.7%	4.0%
National (Billions)	28	23	19	13	16	24	30	32
% Ch	8.3%	-18.5%	-15.6%	-32.3%	24.8%	46.7%	28.8%	6.6%
<b>NONFARM PROPRIETORS INCOME</b>								
Idaho (Millions)	3,040	3,256	3,334	3,516	3,723	4,042	4,314	4,577
% Ch	16.8%	7.1%	2.4%	5.5%	5.9%	8.6%	6.7%	6.1%
National (Billions)	651	692	709	744	789	853	907	958
% Ch	8.8%	6.4%	2.4%	4.9%	6.2%	8.0%	6.3%	5.7%
<b>DIVIDENDS, RENT &amp; INTEREST</b>								
Idaho (Millions)	5,468	5,891	6,102	6,198	6,189	6,295	6,584	6,977
% Ch	0.0%	7.7%	3.6%	1.6%	-0.2%	1.7%	4.6%	6.0%
National (Billions)	1,446	1,599	1,638	1,655	1,656	1,685	1,751	1,854
% Ch	-0.3%	10.6%	2.4%	1.0%	0.1%	1.8%	3.9%	5.9%
<b>OTHER LABOR INCOME</b>								
Idaho (Millions)	1,800	1,940	1,996	2,151	2,247	2,421	2,644	2,807
% Ch	4.3%	7.8%	2.9%	7.7%	4.5%	7.8%	9.2%	6.2%
National (Billions)	510	544	570	611	652	703	764	812
% Ch	4.0%	6.7%	4.8%	7.1%	6.8%	7.7%	8.6%	6.4%
<b>GOVT. TRANSFERS TO INDIV.</b>								
Idaho (Millions)	3,680	3,938	4,383	4,890	5,221	5,480	5,684	6,009
% Ch	5.2%	7.0%	11.3%	11.6%	6.8%	5.0%	3.7%	5.7%
National (Billions)	1,018	1,070	1,170	1,288	1,368	1,433	1,483	1,565
% Ch	3.5%	5.1%	9.4%	10.0%	6.2%	4.7%	3.5%	5.6%
<b>CONTRIB. FOR SOCIAL INSUR.</b>								
Idaho (Millions)	1,182	1,275	1,320	1,377	1,437	1,503	1,587	1,674
% Ch	7.2%	7.9%	3.5%	4.3%	4.4%	4.6%	5.6%	5.5%
National (Billions)	337	358	372	384	399	419	441	464
% Ch	6.7%	6.2%	3.9%	3.3%	3.9%	4.8%	5.3%	5.3%
<b>RESIDENCE ADJUSTMENT</b>								
Idaho (Millions)	356	433	425	426	413	425	442	460
% Ch	10.7%	21.7%	-1.7%	0.1%	-3.0%	2.9%	4.2%	4.0%

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**EMPLOYMENT**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>TOTAL NONFARM EMPLOYMENT</b>								
Idaho	394,129	413,477	434,503	460,211	477,047	490,899	507,418	520,469
% Ch	N/C	4.9%	5.1%	5.9%	3.7%	2.9%	3.4%	2.6%
National (Thousands)	108,255	108,591	110,692	114,135	117,188	119,589	122,671	125,851
% Ch	-1.1%	0.3%	1.9%	3.1%	2.7%	2.0%	2.6%	2.6%
 <b>GOODS PRODUCING SECTOR</b>								
Idaho	80,856	85,008	90,364	97,412	98,311	102,401	105,504	106,971
% Ch	N/C	5.1%	6.3%	7.8%	0.9%	4.2%	3.0%	1.4%
National (Thousands)	23,749	23,232	23,351	23,906	24,275	24,491	24,958	25,415
% Ch	-4.7%	-2.2%	0.5%	2.4%	1.5%	0.9%	1.9%	1.8%
 <b>MANUFACTURING</b>								
Idaho	57,408	59,920	63,132	65,718	65,640	68,312	70,184	71,527
% Ch	N/C	4.4%	5.4%	4.1%	-0.1%	4.1%	2.7%	1.9%
National (Thousands)	18,405	18,106	18,076	18,323	18,526	18,494	18,671	18,806
% Ch	-3.5%	-1.6%	-0.2%	1.4%	1.1%	-0.2%	1.0%	0.7%
 <b>DURABLE MANUFACTURING</b>								
Idaho	30,152	32,118	34,786	37,822	39,958	42,447	44,215	45,892
% Ch	N/C	6.5%	8.3%	8.7%	5.6%	6.2%	4.2%	3.8%
National (Thousands)	10,568	10,279	10,222	10,448	10,684	10,788	11,008	11,205
% Ch	-4.9%	-2.7%	-0.6%	2.2%	2.3%	1.0%	2.0%	1.8%
 <b>LOGGING &amp; WOOD PRODUCTS</b>								
Idaho	9,759	10,460	10,796	11,774	11,864	12,024	11,898	11,464
% Ch	N/C	7.2%	3.2%	9.1%	0.8%	1.3%	-1.0%	-3.6%
National (Thousands)	675	680	709	754	769	778	796	813
% Ch	-7.9%	0.7%	4.3%	6.3%	2.0%	1.1%	2.3%	2.2%
 <b>METAL FABRICATION</b>								
Idaho	2,460	2,436	2,577	2,958	3,410	3,582	3,793	3,826
% Ch	N/C	-1.0%	5.8%	14.8%	15.3%	5.0%	5.9%	0.9%
National (Thousands)	1,355	1,329	1,339	1,388	1,437	1,449	1,478	1,509
% Ch	-4.5%	-1.9%	0.7%	3.7%	3.5%	0.8%	2.0%	2.1%
 <b>MACHINERY</b>								
Idaho	2,287	2,352	2,613	2,901	3,078	3,189	3,065	3,178
% Ch	N/C	2.8%	11.1%	11.0%	6.1%	3.6%	-3.9%	3.7%
National (Thousands)	1,999	1,929	1,931	1,990	2,067	2,114	2,168	2,206
% Ch	-4.5%	-3.5%	0.1%	3.1%	3.9%	2.3%	2.5%	1.8%
 <b>COMPUTER &amp; ELECTRONICS</b>								
Idaho	10,696	11,744	13,169	13,646	14,326	16,280	17,727	19,055
% Ch	N/C	9.8%	12.1%	3.6%	5.0%	13.6%	8.9%	7.5%
National (Thousands)	1,592	1,528	1,526	1,570	1,625	1,660	1,689	1,707
% Ch	-4.9%	-4.0%	-0.2%	2.9%	3.5%	2.2%	1.7%	1.1%
 <b>OTHER DURABLES</b>								
Idaho	4,949	5,126	5,630	6,543	7,280	7,373	7,732	8,370
% Ch	N/C	3.6%	9.8%	16.2%	11.3%	1.3%	4.9%	8.2%
National (Thousands)	4,947	4,812	4,718	4,746	4,785	4,786	4,877	4,970
% Ch	-4.6%	-2.7%	-2.0%	0.6%	0.8%	0.0%	1.9%	1.9%

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**EMPLOYMENT**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>TOTAL NONFARM EMPLOYMENT</b>								
Idaho	538,089	558,566	568,014	568,017	570,212	577,053	587,046	596,681
% Ch	3.4%	3.8%	1.7%	0.0%	0.4%	1.2%	1.7%	1.6%
National (Thousands)	128,904	131,719	131,925	130,776	130,615	132,836	135,431	137,750
% Ch	2.4%	2.2%	0.2%	-0.9%	-0.1%	1.7%	2.0%	1.7%
<b>GOODS PRODUCING SECTOR</b>								
Idaho	108,722	111,886	110,225	105,026	102,673	101,738	101,557	101,304
% Ch	1.6%	2.9%	-1.5%	-4.7%	-2.2%	-0.9%	-0.2%	-0.2%
National (Thousands)	25,508	25,675	24,947	23,834	23,257	23,182	23,584	23,953
% Ch	0.4%	0.7%	-2.8%	-4.5%	-2.4%	-0.3%	1.7%	1.6%
<b>MANUFACTURING</b>								
Idaho	71,214	73,035	70,393	66,806	64,150	64,205	65,231	66,021
% Ch	-0.4%	2.6%	-3.6%	-5.1%	-4.0%	0.1%	1.6%	1.2%
National (Thousands)	18,555	18,477	17,695	16,719	16,147	15,847	16,086	16,261
% Ch	-1.3%	-0.4%	-4.2%	-5.5%	-3.4%	-1.9%	1.5%	1.1%
<b>DURABLE MANUFACTURING</b>								
Idaho	45,701	47,412	45,100	42,324	40,606	40,414	40,959	41,361
% Ch	-0.4%	3.7%	-4.9%	-6.2%	-4.1%	-0.5%	1.3%	1.0%
National (Thousands)	11,112	11,143	10,636	9,904	9,459	9,261	9,436	9,535
% Ch	-0.8%	0.3%	-4.6%	-6.9%	-4.5%	-2.1%	1.9%	1.0%
<b>LOGGING &amp; WOOD PRODUCTS</b>								
Idaho	11,481	11,570	9,852	9,559	9,356	8,946	8,478	8,212
% Ch	0.1%	0.8%	-14.8%	-3.0%	-2.1%	-4.4%	-5.2%	-3.1%
National (Thousands)	835	830	786	766	745	737	748	764
% Ch	2.6%	-0.5%	-5.3%	-2.5%	-2.8%	-1.1%	1.5%	2.1%
<b>METAL FABRICATION</b>								
Idaho	3,942	4,030	3,875	3,635	3,566	3,607	3,693	3,714
% Ch	3.0%	2.2%	-3.8%	-6.2%	-1.9%	1.2%	2.4%	0.6%
National (Thousands)	1,521	1,539	1,482	1,418	1,362	1,369	1,400	1,417
% Ch	0.8%	1.2%	-3.7%	-4.4%	-3.9%	0.5%	2.3%	1.2%
<b>MACHINERY</b>								
Idaho	3,040	3,306	3,056	2,832	2,880	2,927	3,000	3,027
% Ch	-4.4%	8.8%	-7.6%	-7.3%	1.7%	1.6%	2.5%	0.9%
National (Thousands)	2,136	2,121	2,010	1,823	1,734	1,658	1,659	1,672
% Ch	-3.2%	-0.7%	-5.2%	-9.3%	-4.9%	-4.4%	0.1%	0.8%
<b>COMPUTER &amp; ELECTRONICS</b>								
Idaho	18,410	19,459	19,656	17,932	16,819	16,738	17,446	17,948
% Ch	-3.4%	5.7%	1.0%	-8.8%	-6.2%	-0.5%	4.2%	2.9%
National (Thousands)	1,672	1,727	1,631	1,419	1,306	1,222	1,265	1,305
% Ch	-2.1%	3.3%	-5.6%	-13.0%	-8.0%	-6.4%	3.6%	3.1%
<b>OTHER DURABLES</b>								
Idaho	8,829	9,049	8,661	8,366	7,985	8,196	8,343	8,460
% Ch	5.5%	2.5%	-4.3%	-3.4%	-4.6%	2.6%	1.8%	1.4%
National (Thousands)	4,949	4,926	4,726	4,478	4,313	4,275	4,364	4,378
% Ch	-0.4%	-0.5%	-4.1%	-5.2%	-3.7%	-0.9%	2.1%	0.3%

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**EMPLOYMENT**

**MANUFACTURING (continued)**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>NONDURABLE MANUFACTURING</b>								
Idaho	27,256	27,802	28,346	27,896	25,682	25,865	25,969	25,635
% Ch	N/C	2.0%	2.0%	-1.6%	-7.9%	0.7%	0.4%	-1.3%
National (Thousands)	7,837	7,827	7,854	7,875	7,842	7,706	7,663	7,600
% Ch	-1.6%	-0.1%	0.4%	0.3%	-0.4%	-1.7%	-0.6%	-0.8%
<b>FOOD PROCESSING</b>								
Idaho	17,197	17,445	17,856	17,369	16,827	17,119	17,263	16,829
% Ch	N/C	1.4%	2.4%	-2.7%	-3.1%	1.7%	0.8%	-2.5%
National (Thousands)	1,667	1,662	1,680	1,679	1,693	1,692	1,684	1,684
% Ch	0.4%	-0.3%	1.1%	-0.1%	0.8%	0.0%	-0.4%	0.0%
<b>PRINTING</b>								
Idaho	2,226	2,211	2,231	2,240	2,308	2,365	2,326	2,307
% Ch	N/C	-0.7%	0.9%	0.4%	3.0%	2.5%	-1.6%	-0.8%
National (Thousands)	1,536	1,507	1,517	1,537	1,546	1,541	1,552	1,565
% Ch	-2.1%	-1.9%	0.7%	1.3%	0.6%	-0.3%	0.7%	0.8%
<b>CHEMICALS</b>								
Idaho	4,172	4,259	4,210	4,099	2,354	2,330	2,272	2,361
% Ch	N/C	2.1%	-1.1%	-2.6%	-42.6%	-1.0%	-2.5%	3.9%
National (Thousands)	1,076	1,084	1,081	1,057	1,038	1,034	1,036	1,043
% Ch	-0.9%	0.8%	-0.3%	-2.2%	-1.8%	-0.4%	0.2%	0.7%
<b>OTHER NONDURABLES</b>								
Idaho	3,661	3,886	4,049	4,187	4,194	4,051	4,108	4,137
% Ch	N/C	6.2%	4.2%	3.4%	0.1%	-3.4%	1.4%	0.7%
National (Thousands)	3,558	3,574	3,577	3,603	3,565	3,440	3,390	3,308
% Ch	-2.6%	0.4%	0.1%	0.7%	-1.0%	-3.5%	-1.4%	-2.4%
<b>MINING</b>								
Idaho	3,098	2,581	2,164	2,367	2,683	2,977	2,997	2,818
% Ch	N/C	-16.7%	-16.1%	9.4%	13.3%	11.0%	0.7%	-6.0%
National (Thousands)	689	634	609	601	581	580	597	590
% Ch	-2.8%	-8.0%	-3.9%	-1.5%	-3.3%	-0.2%	3.0%	-1.1%
<b>CONSTRUCTION</b>								
Idaho	20,350	22,508	25,068	29,326	29,988	31,112	32,323	32,627
% Ch	N/C	10.6%	11.4%	17.0%	2.3%	3.7%	3.9%	0.9%
National (Thousands)	4,655	4,492	4,665	4,982	5,168	5,418	5,691	6,019
% Ch	-9.2%	-3.5%	3.9%	6.8%	3.7%	4.8%	5.0%	5.8%



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**EMPLOYMENT**

**MANUFACTURING (continued)**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>NONDURABLE MANUFACTURING</b>								
Idaho	25,513	25,623	25,293	24,482	23,544	23,791	24,272	24,660
% Ch	-0.5%	0.4%	-1.3%	-3.2%	-3.8%	1.0%	2.0%	1.6%
National (Thousands)	7,443	7,334	7,059	6,815	6,688	6,586	6,650	6,726
% Ch	-2.1%	-1.5%	-3.7%	-3.5%	-1.9%	-1.5%	1.0%	1.1%
<b>FOOD PROCESSING</b>								
Idaho	16,704	16,660	16,522	16,354	15,727	15,847	16,095	16,300
% Ch	-0.7%	-0.3%	-0.8%	-1.0%	-3.8%	0.8%	1.6%	1.3%
National (Thousands)	1,683	1,688	1,690	1,688	1,687	1,667	1,694	1,712
% Ch	-0.1%	0.3%	0.2%	-0.2%	0.0%	-1.2%	1.6%	1.1%
<b>PRINTING</b>								
Idaho	2,234	2,338	2,225	2,033	2,029	2,087	2,149	2,174
% Ch	-3.2%	4.7%	-4.9%	-8.6%	-0.2%	2.9%	3.0%	1.2%
National (Thousands)	1,552	1,547	1,491	1,409	1,396	1,405	1,448	1,503
% Ch	-0.8%	-0.3%	-3.7%	-5.5%	-1.0%	0.6%	3.1%	3.8%
<b>CHEMICALS</b>								
Idaho	2,314	2,336	2,324	1,925	1,807	1,759	1,779	1,801
% Ch	-2.0%	1.0%	-0.5%	-17.2%	-6.1%	-2.6%	1.1%	1.2%
National (Thousands)	1,035	1,034	1,022	1,008	989	941	928	932
% Ch	-0.7%	-0.1%	-1.2%	-1.4%	-1.9%	-4.8%	-1.4%	0.4%
<b>OTHER NONDURABLES</b>								
Idaho	4,261	4,289	4,223	4,171	3,981	4,098	4,249	4,385
% Ch	3.0%	0.6%	-1.5%	-1.2%	-4.5%	2.9%	3.7%	3.2%
National (Thousands)	3,172	3,065	2,856	2,710	2,616	2,573	2,581	2,579
% Ch	-4.1%	-3.4%	-6.8%	-5.1%	-3.5%	-1.6%	0.3%	-0.1%
<b>MINING</b>								
Idaho	2,485	2,347	1,972	1,758	1,757	1,768	1,721	1,602
% Ch	-11.8%	-5.5%	-16.0%	-10.9%	-0.1%	0.6%	-2.6%	-6.9%
National (Thousands)	539	543	565	557	566	566	535	509
% Ch	-8.7%	0.7%	4.0%	-1.3%	1.6%	0.0%	-5.4%	-4.9%
<b>CONSTRUCTION</b>								
Idaho	35,022	36,503	37,860	36,462	36,766	35,766	34,605	33,680
% Ch	7.3%	4.2%	3.7%	-3.7%	0.8%	-2.7%	-3.2%	-2.7%
National (Thousands)	6,415	6,655	6,688	6,558	6,544	6,769	6,963	7,184
% Ch	6.6%	3.7%	0.5%	-1.9%	-0.2%	3.4%	2.9%	3.2%

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**EMPLOYMENT**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>NON-GOODS PRODUCING</b>								
Idaho	313,272	328,469	344,139	362,800	378,736	388,498	401,914	413,497
% Ch	N/C	4.9%	4.8%	5.4%	4.4%	2.6%	3.5%	2.9%
National (Thousands)	84,506	85,359	87,341	90,229	92,913	95,098	97,713	100,437
% Ch	0.0%	1.0%	2.3%	3.3%	3.0%	2.4%	2.7%	2.8%
<b>SERVICES</b>								
Idaho	155,410	163,210	173,523	185,544	196,054	202,106	210,033	217,463
% Ch	N/C	5.0%	6.3%	6.9%	5.7%	3.1%	3.9%	3.5%
National (Thousands)	40,737	41,366	42,761	44,455	46,057	47,620	49,551	51,526
% Ch	0.8%	1.5%	3.4%	4.0%	3.6%	3.4%	4.1%	4.0%
<b>INFORMATION</b>								
Idaho	6,990	7,083	7,195	7,413	7,602	7,699	7,587	8,376
% Ch	N/C	1.3%	1.6%	3.0%	2.5%	1.3%	-1.5%	10.4%
<b>FINANCIAL ACTIVITIES</b>								
Idaho	21,116	22,104	23,258	24,521	25,494	26,834	26,835	24,254
% Ch	N/C	4.7%	5.2%	5.4%	4.0%	5.3%	0.0%	-9.6%
<b>TRANS., WAREHOUSING, UTILITIES</b>								
Idaho	13,478	14,055	14,557	15,465	16,508	17,329	17,624	18,157
% Ch	N/C	4.3%	3.6%	6.2%	6.7%	5.0%	1.7%	3.0%
<b>PROFESSIONAL &amp; BUSINESS</b>								
Idaho	32,720	33,756	36,872	39,173	42,480	42,934	47,296	50,768
% Ch	N/C	3.2%	9.2%	6.2%	8.4%	1.1%	10.2%	7.3%
<b>EDUCATION &amp; HEALTH</b>								
Idaho	32,043	34,554	36,841	39,048	41,491	44,361	46,347	49,249
% Ch	N/C	7.8%	6.6%	6.0%	6.3%	6.9%	4.5%	6.3%
<b>LEISURE &amp; HOSPITALITY</b>								
Idaho	37,432	39,614	41,375	44,569	46,651	47,557	48,839	50,425
% Ch	N/C	5.8%	4.4%	7.7%	4.7%	1.9%	2.7%	3.2%
<b>OTHER SERVICES</b>								
Idaho	11,631	12,045	13,426	15,355	15,829	15,393	15,506	16,235
% Ch	N/C	3.6%	11.5%	14.4%	3.1%	-2.8%	0.7%	4.7%
<b>TRADE</b>								
Idaho	72,496	75,916	78,874	83,336	86,215	89,134	91,681	93,767
% Ch	N/C	4.7%	3.9%	5.7%	3.5%	3.4%	2.9%	2.3%
National (Thousands)	25,363	25,352	25,753	26,664	27,564	28,076	28,617	29,100
% Ch	-1.6%	0.0%	1.6%	3.5%	3.4%	1.9%	1.9%	1.7%
<b>RETAIL TRADE</b>								
Idaho	52,323	54,822	57,743	61,034	63,162	65,408	67,173	69,156
% Ch	N/C	4.8%	5.3%	5.7%	3.5%	3.6%	2.7%	3.0%
<b>WHOLESALE TRADE</b>								
Idaho	20,173	21,094	21,132	22,302	23,053	23,726	24,508	24,612
% Ch	N/C	4.6%	0.2%	5.5%	3.4%	2.9%	3.3%	0.4%
<b>STATE &amp; LOCAL GOVERNMENT</b>								
Idaho	72,468	75,893	78,166	80,426	83,354	84,359	87,296	89,466
% Ch	N/C	4.7%	3.0%	2.9%	3.6%	1.2%	3.5%	2.5%
National (Thousands)	15,439	15,672	15,913	16,241	16,472	16,647	16,846	17,125
% Ch	1.4%	1.5%	1.5%	2.1%	1.4%	1.1%	1.2%	1.7%
<b>EDUCATION</b>								
Idaho	37,568	38,516	39,830	40,542	42,571	42,571	44,218	45,412
% Ch	N/C	2.5%	3.4%	1.8%	5.0%	0.0%	3.9%	2.7%
<b>NON-EDUCATION</b>								
Idaho	34,900	37,377	38,336	39,884	40,783	41,787	43,078	44,055
% Ch	N/C	7.1%	2.6%	4.0%	2.3%	2.5%	3.1%	2.3%
<b>FEDERAL GOVERNMENT</b>								
Idaho	12,899	13,450	13,575	13,493	13,113	12,899	12,904	12,800
% Ch	N/C	4.3%	0.9%	-0.6%	-2.8%	-1.6%	0.0%	-0.8%
National (Thousands)	2,967	2,968	2,914	2,870	2,821	2,755	2,698	2,685
% Ch	-3.9%	0.0%	-1.8%	-1.5%	-1.7%	-2.3%	-2.0%	-0.5%

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**EMPLOYMENT**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>NON-GOODS PRODUCING</b>								
Idaho	429,367	446,681	457,789	462,991	467,539	475,314	485,489	495,377
% Ch	3.8%	4.0%	2.5%	1.1%	1.0%	1.7%	2.1%	2.0%
National (Thousands)	103,396	106,044	106,978	106,942	107,358	109,654	111,847	113,797
% Ch	2.9%	2.6%	0.9%	0.0%	0.4%	2.1%	2.0%	1.7%
<b>SERVICES</b>								
Idaho	227,555	238,278	249,573	253,627	257,989	263,708	271,178	278,777
% Ch	4.6%	4.7%	4.7%	1.6%	1.7%	2.2%	2.8%	2.8%
National (Thousands)	53,440	55,069	55,757	55,717	56,155	58,008	59,885	61,457
% Ch	3.7%	3.0%	1.2%	-0.1%	0.8%	3.3%	3.2%	2.6%
<b>INFORMATION</b>								
Idaho	9,274	9,859	9,596	9,157	9,132	9,326	9,692	9,971
% Ch	10.7%	6.3%	-2.7%	-4.6%	-0.3%	2.1%	3.9%	2.9%
<b>FINANCIAL ACTIVITIES</b>								
Idaho	25,302	25,157	25,009	25,821	26,215	26,824	27,335	27,803
% Ch	4.3%	-0.6%	-0.6%	3.2%	1.5%	2.3%	1.9%	1.7%
<b>TRANS., WAREHOUSING, UTILITIES</b>								
Idaho	19,001	19,405	19,152	18,671	18,375	18,312	18,682	18,843
% Ch	4.6%	2.1%	-1.3%	-2.5%	-1.6%	-0.3%	2.0%	0.9%
<b>PROFESSIONAL &amp; BUSINESS</b>								
Idaho	54,797	60,630	67,656	69,014	69,872	71,059	72,898	75,342
% Ch	7.9%	10.6%	11.6%	2.0%	1.2%	1.7%	2.6%	3.4%
<b>EDUCATION &amp; HEALTH</b>								
Idaho	50,575	53,019	56,959	59,814	61,667	63,468	65,722	67,942
% Ch	2.7%	4.8%	7.4%	5.0%	3.1%	2.9%	3.6%	3.4%
<b>LEISURE &amp; HOSPITALITY</b>								
Idaho	51,461	52,563	53,056	53,279	55,498	57,248	58,998	60,748
% Ch	2.1%	2.1%	0.9%	0.4%	4.2%	3.2%	3.1%	3.0%
<b>OTHER SERVICES</b>								
Idaho	17,145	17,645	18,146	17,871	17,228	17,470	17,851	18,128
% Ch	5.6%	2.9%	2.8%	-1.5%	-3.6%	1.4%	2.2%	1.6%
<b>TRADE</b>								
Idaho	96,715	100,155	98,074	97,328	97,181	98,958	101,536	103,773
% Ch	3.1%	3.6%	-2.1%	-0.8%	-0.2%	1.8%	2.6%	2.2%
National (Thousands)	29,760	30,279	30,294	29,976	29,824	30,260	30,429	30,675
% Ch	2.3%	1.7%	0.0%	-1.0%	-0.5%	1.5%	0.6%	0.8%
<b>RETAIL TRADE</b>								
Idaho	71,410	74,444	72,611	72,384	72,406	73,782	75,783	77,528
% Ch	3.3%	4.2%	-2.5%	-0.3%	0.0%	1.9%	2.7%	2.3%
<b>WHOLESALE TRADE</b>								
Idaho	25,305	25,711	25,463	24,945	24,775	25,176	25,752	26,245
% Ch	2.8%	1.6%	-1.0%	-2.0%	-0.7%	1.6%	2.3%	1.9%
<b>STATE &amp; LOCAL GOVERNMENT</b>								
Idaho	92,263	94,746	96,863	98,486	99,316	99,516	99,627	99,707
% Ch	3.1%	2.7%	2.2%	1.7%	0.8%	0.2%	0.1%	0.1%
National (Thousands)	17,529	17,916	18,309	18,627	18,706	18,699	18,841	18,969
% Ch	2.4%	2.2%	2.2%	1.7%	0.4%	0.0%	0.8%	0.7%
<b>EDUCATION</b>								
Idaho	46,749	47,990	49,024	49,654	50,462	50,591	50,780	50,810
% Ch	2.9%	2.7%	2.2%	1.3%	1.6%	0.3%	0.4%	0.1%
<b>NON-EDUCATION</b>								
Idaho	45,514	46,756	47,839	48,832	48,854	48,925	48,847	48,897
% Ch	3.3%	2.7%	2.3%	2.1%	0.0%	0.1%	-0.2%	0.1%
<b>FEDERAL GOVERNMENT</b>								
Idaho	12,834	13,501	13,280	13,550	13,053	13,133	13,148	13,119
% Ch	0.3%	5.2%	-1.6%	2.0%	-3.7%	0.6%	0.1%	-0.2%
National (Thousands)	2,667	2,780	2,618	2,621	2,673	2,688	2,692	2,697
% Ch	-0.7%	4.2%	-5.8%	0.1%	2.0%	0.5%	0.2%	0.2%

**National Variables Forecast by Global Insight**  
Forecast Begins the FIRST Quarter of 2003

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2003**

**MISCELLANEOUS**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>								
<b>Gross Domestic Product</b>	0.897	0.918	0.941	0.960	0.981	1.000	1.019	1.032
% Ch	3.6%	2.4%	2.4%	2.1%	2.2%	1.9%	1.9%	1.2%
<b>Consumption Expenditures</b>	0.889	0.916	0.938	0.957	0.979	1.000	1.019	1.030
% Ch	3.8%	3.1%	2.4%	2.0%	2.3%	2.1%	1.9%	1.1%
<b>Durable Goods</b>	0.974	0.983	0.991	1.006	1.011	1.000	0.977	0.954
% Ch	1.4%	0.9%	0.8%	1.5%	0.5%	-1.0%	-2.3%	-2.4%
<b>Nondurable Goods</b>	0.938	0.952	0.961	0.968	0.979	1.000	1.013	1.013
% Ch	3.1%	1.5%	1.0%	0.7%	1.1%	2.1%	1.3%	0.0%
<b>Services</b>	0.848	0.885	0.916	0.942	0.973	1.000	1.031	1.055
% Ch	4.8%	4.3%	3.5%	2.8%	3.3%	2.8%	3.1%	2.3%
<b>Consumer Price Index (1982-84=100)</b>	1.362	1.403	1.445	1.482	1.524	1.569	1.605	1.630
% Ch	4.2%	3.0%	3.0%	2.6%	2.8%	2.9%	2.3%	1.5%
<b>SELECTED INTEREST RATES</b>								
<b>Federal Funds</b>	5.7%	3.5%	3.0%	4.2%	5.8%	5.3%	5.5%	5.4%
<b>NY Fed Discount</b>	5.4%	3.3%	3.0%	3.6%	5.2%	5.0%	5.0%	4.9%
<b>Prime</b>	8.5%	6.3%	6.0%	7.1%	8.8%	8.3%	8.4%	8.4%
<b>Existing Home Mortgage</b>	9.3%	8.1%	7.2%	7.5%	7.8%	7.7%	7.7%	7.1%
<b>U.S. Govt. 3-Month Bills</b>	5.4%	3.4%	3.0%	4.2%	5.5%	5.0%	5.1%	4.8%
<b>U.S. Govt. 6-Month Bills</b>	5.5%	3.6%	3.1%	4.6%	5.6%	5.1%	5.2%	4.8%
<b>U.S. Govt. 5-Year Notes</b>	7.4%	6.2%	5.1%	6.7%	6.4%	6.2%	6.2%	5.2%
<b>U.S. Govt. 10-Year Notes</b>	7.9%	7.0%	5.9%	7.1%	6.6%	6.4%	6.4%	5.3%
<b>SELECTED US PRODUCTION INDICES</b>								
<b>Wood Products</b>	81.2	85.6	86.6	91.8	93.9	97.1	100.0	104.9
% Ch	-6.4%	5.4%	1.2%	6.0%	2.3%	3.4%	3.0%	4.9%
<b>Computers &amp; Electronic Products</b>	30.5	34.1	37.5	44.4	57.9	74.1	100.0	128.2
% Ch	3.4%	12.0%	9.8%	18.6%	30.3%	28.0%	35.0%	28.2%
<b>Food</b>	92.0	93.8	96.3	96.8	99.2	97.3	100.0	104.2
% Ch	1.9%	1.9%	2.7%	0.6%	2.5%	-1.9%	2.8%	4.2%
<b>Agricultural Chemicals</b>	90.4	94.2	95.0	94.9	94.5	96.4	100.0	102.4
% Ch	-3.4%	4.2%	0.8%	-0.2%	-0.4%	2.0%	3.8%	2.4%
<b>Metal Ore Mining</b>	84.6	90.9	90.2	91.9	92.8	94.9	100.0	99.2
% Ch	-0.2%	7.4%	-0.7%	1.9%	1.0%	2.2%	5.4%	-0.8%

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2003**

**MISCELLANEOUS**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>								
<b>Gross Domestic Product</b>	1.047	1.069	1.094	1.107	1.125	1.146	1.173	1.200
% Ch	1.4%	2.1%	2.4%	1.1%	1.6%	1.9%	2.3%	2.3%
<b>Consumption Expenditures</b>	1.047	1.074	1.096	1.111	1.131	1.151	1.177	1.204
% Ch	1.6%	2.5%	2.0%	1.4%	1.9%	1.7%	2.2%	2.4%
<b>Durable Goods</b>	0.930	0.915	0.897	0.872	0.852	0.846	0.846	0.850
% Ch	-2.5%	-1.7%	-1.9%	-2.8%	-2.2%	-0.8%	0.0%	0.4%
<b>Nondurable Goods</b>	1.037	1.076	1.092	1.096	1.114	1.121	1.140	1.161
% Ch	2.3%	3.8%	1.5%	0.4%	1.6%	0.7%	1.7%	1.8%
<b>Services</b>	1.078	1.108	1.143	1.174	1.208	1.241	1.276	1.314
% Ch	2.2%	2.8%	3.1%	2.7%	2.8%	2.7%	2.9%	3.0%
<b>Consumer Price Index (1982-84=100)</b>	1.666	1.722	1.771	1.799	1.839	1.867	1.908	1.954
% Ch	2.2%	3.4%	2.8%	1.6%	2.2%	1.5%	2.2%	2.4%
<b>SELECTED INTEREST RATES</b>								
<b>Federal Funds</b>	5.0%	6.2%	3.9%	1.7%	1.3%	1.7%	2.7%	3.0%
<b>NY Fed Discount</b>	4.6%	5.7%	3.4%	1.2%	2.3%	2.7%	3.7%	4.0%
<b>Prime</b>	8.0%	9.2%	6.9%	4.7%	4.3%	4.7%	5.7%	6.0%
<b>Existing Home Mortgage</b>	7.3%	8.0%	7.0%	6.5%	5.7%	6.1%	7.0%	7.2%
<b>U.S. Govt. 3-Month Bills</b>	4.6%	5.8%	3.4%	1.6%	1.1%	1.6%	2.5%	2.8%
<b>U.S. Govt. 6-Month Bills</b>	4.7%	5.9%	3.4%	1.7%	1.2%	1.8%	2.7%	3.0%
<b>U.S. Govt. 5-Year Notes</b>	5.5%	6.2%	4.6%	3.8%	2.7%	3.7%	4.9%	5.2%
<b>U.S. Govt. 10-Year Notes</b>	5.6%	6.0%	5.0%	4.6%	3.8%	4.5%	5.6%	5.8%
<b>SELECTED US PRODUCTION INDICES</b>								
<b>Wood Products</b>	108.9	107.4	99.7	100.5	95.3	93.7	92.3	93.0
% Ch	3.8%	-1.4%	-7.2%	0.8%	-5.1%	-1.7%	-1.5%	0.7%
<b>Computers &amp; Electronic Products</b>	166.4	221.1	223.7	220.7	238.2	287.7	348.0	381.3
% Ch	29.8%	32.9%	1.2%	-1.4%	7.9%	20.8%	21.0%	9.5%
<b>Food</b>	105.1	106.3	105.0	105.5	105.0	108.3	111.3	113.3
% Ch	0.9%	1.1%	-1.2%	0.4%	-0.5%	3.1%	2.8%	1.9%
<b>Agricultural Chemicals</b>	91.7	87.9	80.4	77.6	72.4	73.1	75.1	76.8
% Ch	-10.4%	-4.2%	-8.5%	-3.5%	-6.6%	0.9%	2.7%	2.3%
<b>Metal Ore Mining</b>	90.7	90.3	82.0	73.7	76.1	82.6	89.4	93.3
% Ch	-8.6%	-0.4%	-9.2%	-10.0%	3.3%	8.5%	8.3%	4.3%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2003**

**DEMOGRAPHICS**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,313.3	1,318.5	1,323.0	1,327.8	1,336.4	1,339.4	1,342.8	1,345.4	1,349.0	1,352.4	1,355.8	1,359.2
% Ch	1.8%	1.6%	1.4%	1.5%	2.6%	0.9%	1.0%	0.8%	1.1%	1.0%	1.0%	1.0%
National (Millions)	284.758	285.545	286.398	287.150	287.826	288.600	289.437	290.045	290.726	291.381	292.016	292.652
% Ch	1.0%	1.1%	1.2%	1.1%	0.9%	1.1%	1.2%	0.8%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>												
Idaho (Thousands)	20.569	20.658	20.719	20.792	20.117	20.115	20.125	20.108	20.135	20.157	20.194	20.231
% Ch	0.9%	1.7%	1.2%	1.4%	-12.4%	0.0%	0.2%	-0.3%	0.5%	0.4%	0.7%	0.7%
National (Thousands)	3,874	3,875	3,877	3,879	3,881	3,883	3,886	3,890	3,894	3,898	3,903	3,909
% Ch	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.4%	0.4%	0.4%	0.5%	0.6%
<b>DEATHS</b>												
Idaho (Thousands)	9.753	9.793	9.830	9.868	9.797	9.824	9.852	9.876	9.906	9.935	9.963	9.992
% Ch	5.3%	1.7%	1.5%	1.6%	-2.8%	1.1%	1.2%	1.0%	1.2%	1.2%	1.2%	1.2%
National (Thousands)	2,438	2,443	2,449	2,454	2,459	2,465	2,470	2,475	2,480	2,485	2,490	2,495
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>NET MIGRATION</b>												
Idaho (Thousands)	12.025	9.936	7.111	8.276	24.117	1.792	3.191	0.277	4.010	3.464	3.456	3.448
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	13,128	12,898	11,673	11,314	11,509	11,953	13,056	16,369	15,758	14,767	13,857	12,985
% Ch	74.1%	-6.8%	-32.9%	-11.7%	7.1%	16.4%	42.3%	147.1%	-14.1%	-22.9%	-22.5%	-22.9%
National (Millions)	1.605	1.630	1.600	1.570	1.716	1.683	1.702	1.743	1.739	1.668	1.647	1.594
% Ch	16.8%	6.4%	-7.2%	-7.2%	42.8%	-7.6%	4.7%	9.9%	-0.9%	-15.2%	-5.0%	-12.2%
<b>SINGLE UNITS</b>												
Idaho	10,776	10,886	10,196	9,901	10,040	10,475	11,331	12,876	12,636	12,169	11,681	11,343
% Ch	10.2%	4.1%	-23.0%	-11.1%	5.8%	18.5%	36.9%	66.8%	-7.2%	-14.0%	-15.1%	-11.1%
National (Millions)	1.258	1.297	1.276	1.256	1.361	1.341	1.342	1.410	1.406	1.369	1.342	1.323
% Ch	11.3%	13.1%	-6.4%	-5.9%	37.6%	-5.7%	0.4%	21.9%	-1.1%	-10.2%	-7.7%	-5.5%
<b>MULTIPLE UNITS</b>												
Idaho	2,352	2,013	1,477	1,413	1,468	1,479	1,726	3,493	3,122	2,598	2,176	1,642
% Ch	4352.3%	-46.4%	-71.0%	-16.1%	16.5%	2.8%	85.5%	1579.8%	-36.2%	-52.0%	-50.8%	-67.6%
National (Millions)	0.347	0.333	0.324	0.314	0.356	0.342	0.360	0.332	0.332	0.299	0.305	0.271
% Ch	39.4%	-15.5%	-10.4%	-12.2%	65.3%	-14.8%	22.8%	-27.1%	0.0%	-34.2%	7.8%	-37.5%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	428.0	430.9	433.5	436.0	438.5	441.2	444.1	447.9	451.5	454.8	458.0	460.9
% Ch	2.8%	2.7%	2.4%	2.3%	2.4%	2.4%	2.7%	3.4%	3.3%	3.0%	2.8%	2.6%

**National Variables Forecast by Global Insight  
Forecast Begins the FIRST Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2003**

**DEMOGRAPHICS**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,362.7	1,366.1	1,369.5	1,372.9	1,376.4	1,379.8	1,383.2	1,386.6	1,390.0	1,393.5	1,396.9	1,400.3
% Ch	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
National (Millions)	293.288	293.923	294.554	295.185	295.816	296.447	297.075	297.703	298.330	298.958	299.584	300.210
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>BIRTHS</b>												
Idaho (Thousands)	20.268	20.305	20.342	20.379	20.415	20.452	20.489	20.526	20.568	20.608	20.648	20.688
% Ch	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%
National (Thousands)	3,915	3,921	3,928	3,935	3,943	3,951	3,959	3,968	3,977	3,986	3,995	4,006
% Ch	0.6%	0.6%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	1.1%
<b>DEATHS</b>												
Idaho (Thousands)	10.021	10.050	10.078	10.107	10.136	10.165	10.193	10.222	10.251	10.280	10.308	10.337
% Ch	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
National (Thousands)	2,499	2,504	2,510	2,515	2,520	2,525	2,531	2,536	2,540	2,545	2,550	2,556
% Ch	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	1.0%	0.8%	0.6%	0.8%	0.8%	0.9%
<b>NET MIGRATION</b>												
Idaho (Thousands)	3.439	3.431	3.423	3.415	3.407	3.399	3.390	3.382	3.369	3.358	3.347	3.336
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	12,495	12,371	12,217	12,069	11,896	11,770	11,665	11,606	11,549	11,493	11,417	11,326
% Ch	-14.3%	-3.9%	-4.9%	-4.8%	-5.6%	-4.2%	-3.5%	-2.0%	-2.0%	-1.9%	-2.6%	-3.2%
National (Millions)	1.571	1.567	1.564	1.552	1.543	1.536	1.535	1.550	1.572	1.584	1.596	1.609
% Ch	-5.8%	-0.8%	-0.9%	-3.0%	-2.2%	-1.9%	-0.2%	4.0%	5.7%	3.2%	3.1%	3.3%
<b>SINGLE UNITS</b>												
Idaho	11,166	11,031	10,883	10,752	10,621	10,538	10,472	10,443	10,405	10,356	10,276	10,178
% Ch	-6.1%	-4.8%	-5.2%	-4.7%	-4.8%	-3.1%	-2.5%	-1.1%	-1.4%	-1.9%	-3.1%	-3.8%
National (Millions)	1.316	1.318	1.313	1.307	1.304	1.297	1.295	1.299	1.305	1.309	1.310	1.317
% Ch	-2.2%	0.6%	-1.5%	-1.9%	-0.8%	-2.1%	-0.8%	1.4%	1.7%	1.2%	0.5%	2.0%
<b>MULTIPLE UNITS</b>												
Idaho	1,329	1,341	1,334	1,317	1,275	1,231	1,193	1,163	1,143	1,137	1,141	1,148
% Ch	-57.0%	3.4%	-2.0%	-4.8%	-12.3%	-13.0%	-11.9%	-9.6%	-6.7%	-2.2%	1.4%	2.4%
National (Millions)	0.255	0.250	0.251	0.245	0.239	0.239	0.240	0.251	0.267	0.276	0.286	0.293
% Ch	-22.2%	-7.9%	2.0%	-8.3%	-9.8%	-0.9%	3.0%	18.8%	28.1%	13.5%	16.5%	9.5%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	463.6	466.4	469.1	471.8	474.4	477.0	479.5	482.1	484.6	487.1	489.6	492.1
% Ch	2.4%	2.4%	2.3%	2.3%	2.2%	2.2%	2.2%	2.1%	2.1%	2.1%	2.1%	2.0%

**National Variables Forecast by Global Insight  
Forecast Begins the FIRST Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2003**

**OUTPUT, INCOME, & WAGES**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	10,028	10,050	10,098	10,153	10,313	10,377	10,506	10,589	10,704	10,771	10,913	11,083
% Ch	3.0%	0.9%	1.9%	2.2%	6.5%	2.5%	5.1%	3.2%	4.4%	2.5%	5.4%	6.4%
1996 Chain-Weighted	9,230	9,193	9,186	9,249	9,363	9,392	9,486	9,518	9,563	9,599	9,690	9,797
% Ch	-0.6%	-1.6%	-0.3%	2.7%	5.0%	1.3%	4.0%	1.4%	1.9%	1.5%	3.8%	4.5%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	32,064	32,365	32,515	32,507	33,364	33,226	33,715	34,116	34,453	34,681	34,832	35,138
% Ch	4.0%	3.8%	1.9%	-0.1%	11.0%	-1.6%	6.0%	4.8%	4.0%	2.7%	1.8%	3.6%
Idaho Nonfarm (Millions)	31,067	31,413	31,580	31,539	32,050	32,464	32,794	33,069	33,230	33,493	33,829	34,186
% Ch	1.3%	4.5%	2.1%	-0.5%	6.6%	5.3%	4.1%	3.4%	2.0%	3.2%	4.1%	4.3%
National (Billions)	8,658	8,676	8,706	8,701	8,803	8,914	8,959	9,040	9,128	9,199	9,291	9,402
% Ch	3.9%	0.8%	1.4%	-0.2%	4.8%	5.1%	2.0%	3.7%	3.9%	3.2%	4.1%	4.9%
<b>PERSONAL INCOME - 1996 \$</b>												
Idaho (Millions)	29,376	29,519	29,662	29,595	30,292	29,964	30,275	30,497	30,594	30,708	30,752	30,893
% Ch	0.6%	2.0%	1.9%	-0.9%	9.8%	-4.3%	4.2%	3.0%	1.3%	1.5%	0.6%	1.8%
Idaho Nonfarm (Millions)	28,463	28,651	28,809	28,714	29,099	29,276	29,448	29,562	29,508	29,657	29,866	30,056
% Ch	-2.0%	2.7%	2.2%	-1.3%	5.5%	2.5%	2.4%	1.5%	-0.7%	2.0%	2.8%	2.6%
National (Billions)	7,932	7,913	7,942	7,921	7,993	8,039	8,045	8,081	8,106	8,145	8,203	8,266
% Ch	0.5%	-1.0%	1.5%	-1.0%	3.7%	2.3%	0.3%	1.8%	1.2%	2.0%	2.8%	3.1%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	24,415	24,547	24,577	24,482	24,965	24,806	25,108	25,357	25,540	25,644	25,691	25,851
% Ch	2.2%	2.2%	0.5%	-1.5%	8.1%	-2.5%	5.0%	4.0%	2.9%	1.6%	0.7%	2.5%
National	30,405	30,385	30,399	30,301	30,586	30,887	30,953	31,167	31,396	31,571	31,817	32,126
% Ch	2.9%	-0.3%	0.2%	-1.3%	3.8%	4.0%	0.9%	2.8%	3.0%	2.2%	3.2%	3.9%
<b>PER CAPITA PERS INC - 1996 \$</b>												
Idaho	22,368	22,389	22,420	22,289	22,667	22,370	22,547	22,668	22,679	22,706	22,681	22,728
% Ch	-1.1%	0.4%	0.6%	-2.3%	7.0%	-5.1%	3.2%	2.2%	0.2%	0.5%	-0.4%	0.8%
National	27,856	27,713	27,731	27,586	27,770	27,854	27,795	27,863	27,881	27,954	28,090	28,245
% Ch	-0.5%	-2.0%	0.3%	-2.1%	2.7%	1.2%	-0.8%	1.0%	0.3%	1.1%	2.0%	2.2%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	28,382	28,779	28,838	28,751	29,093	29,067	29,318	29,344	29,681	29,842	30,086	30,314
% Ch	-7.6%	5.7%	0.8%	-1.2%	4.8%	-0.4%	3.5%	0.4%	4.7%	2.2%	3.3%	3.1%
National	37,456	37,497	37,544	37,607	37,915	38,233	38,270	38,628	39,082	39,396	39,795	40,139
% Ch	2.7%	0.4%	0.5%	0.7%	3.3%	3.4%	0.4%	3.8%	4.8%	3.3%	4.1%	3.5%

**National Variables Forecast by Global Insight  
Forecast Begins the FIRST Quarter of 2003**



**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2003**

**OUTPUT, INCOME, & WAGES**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	11,286	11,457	11,648	11,816	11,973	12,120	12,277	12,457	12,636	12,801	12,987	13,169
% Ch	7.5%	6.2%	6.9%	5.9%	5.4%	5.0%	5.3%	6.0%	5.8%	5.3%	5.9%	5.7%
1996 Chain-Weighted	9,922	10,022	10,133	10,224	10,296	10,364	10,438	10,534	10,620	10,698	10,789	10,881
% Ch	5.2%	4.1%	4.5%	3.6%	2.9%	2.7%	2.9%	3.7%	3.3%	3.0%	3.4%	3.5%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	35,685	36,277	36,958	37,414	37,737	38,264	38,763	39,178	39,777	40,339	40,964	41,395
% Ch	6.4%	6.8%	7.7%	5.0%	3.5%	5.7%	5.3%	4.3%	6.2%	5.8%	6.3%	4.3%
Idaho Nonfarm (Millions)	34,617	35,031	35,513	36,030	36,495	36,986	37,463	37,971	38,525	39,035	39,584	40,134
% Ch	5.1%	4.9%	5.6%	6.0%	5.3%	5.5%	5.3%	5.5%	6.0%	5.4%	5.7%	5.7%
National (Billions)	9,536	9,657	9,792	9,923	10,049	10,179	10,307	10,451	10,611	10,750	10,897	11,044
% Ch	5.8%	5.2%	5.7%	5.4%	5.2%	5.3%	5.1%	5.7%	6.3%	5.3%	5.6%	5.5%
<b>PERSONAL INCOME - 1996 \$</b>												
Idaho (Millions)	31,242	31,626	32,033	32,236	32,344	32,618	32,855	33,022	33,332	33,601	33,911	34,068
% Ch	4.6%	5.0%	5.2%	2.6%	1.4%	3.4%	2.9%	2.0%	3.8%	3.3%	3.7%	1.9%
Idaho Nonfarm (Millions)	30,307	30,540	30,780	31,042	31,279	31,529	31,753	32,005	32,283	32,515	32,768	33,031
% Ch	3.4%	3.1%	3.2%	3.5%	3.1%	3.2%	2.9%	3.2%	3.5%	2.9%	3.1%	3.2%
National (Billions)	8,349	8,419	8,487	8,549	8,613	8,677	8,736	8,809	8,892	8,954	9,021	9,090
% Ch	4.1%	3.4%	3.3%	2.9%	3.0%	3.0%	2.7%	3.4%	3.8%	2.9%	3.0%	3.1%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	26,188	26,555	26,987	27,251	27,418	27,732	28,024	28,254	28,616	28,948	29,325	29,561
% Ch	5.3%	5.7%	6.7%	4.0%	2.5%	4.7%	4.3%	3.3%	5.2%	4.7%	5.3%	3.3%
National	32,515	32,855	33,245	33,615	33,972	34,338	34,696	35,106	35,567	35,958	36,374	36,788
% Ch	4.9%	4.2%	4.8%	4.5%	4.3%	4.4%	4.2%	4.8%	5.4%	4.5%	4.7%	4.6%
<b>PER CAPITA PERS INC - 1996 \$</b>												
Idaho	22,927	23,150	23,390	23,479	23,500	23,640	23,753	23,815	23,979	24,114	24,276	24,329
% Ch	3.6%	4.0%	4.2%	1.5%	0.3%	2.4%	1.9%	1.0%	2.8%	2.3%	2.7%	0.9%
National	28,467	28,642	28,814	28,962	29,117	29,271	29,408	29,590	29,805	29,952	30,111	30,277
% Ch	3.2%	2.5%	2.4%	2.1%	2.2%	2.1%	1.9%	2.5%	2.9%	2.0%	2.1%	2.2%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	30,569	30,850	31,148	31,457	31,746	32,041	32,332	32,611	32,905	33,203	33,496	33,788
% Ch	3.4%	3.7%	3.9%	4.0%	3.7%	3.8%	3.7%	3.5%	3.7%	3.7%	3.6%	3.5%
National	40,529	40,841	41,167	41,529	41,935	42,301	42,653	43,013	43,443	43,826	44,236	44,661
% Ch	3.9%	3.1%	3.2%	3.6%	4.0%	3.5%	3.4%	3.4%	4.1%	3.6%	3.8%	3.9%

**National Variables Forecast by Global Insight  
Forecast Begins the FIRST Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2003**

**PERSONAL INCOME -- CURR \$\$**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	16,722	16,942	16,949	16,807	16,999	17,089	17,279	17,399	17,523	17,634	17,809	17,975
% Ch	-3.7%	5.4%	0.2%	-3.3%	4.6%	2.1%	4.5%	2.8%	2.9%	2.6%	4.0%	3.8%
National (Billions)	4,960	4,957	4,954	4,931	4,958	4,997	5,007	5,052	5,104	5,136	5,194	5,258
% Ch	3.5%	-0.3%	-0.3%	-1.8%	2.2%	3.2%	0.8%	3.6%	4.1%	2.5%	4.6%	5.0%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	626	577	558	588	928	366	516	632	823	782	594	542
% Ch	422.8%	-27.8%	-12.5%	23.3%	520.4%	-97.6%	295.1%	125.0%	187.1%	-18.4%	-66.6%	-31.1%
National (Billions)	19	18	19	19	22	7	11	12	15	16	17	16
% Ch	-32.4%	-16.8%	21.0%	-0.8%	62.2%	-98.6%	322.3%	39.7%	182.9%	26.5%	22.7%	-12.1%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	3,294	3,322	3,345	3,376	3,417	3,505	3,553	3,589	3,628	3,691	3,748	3,826
% Ch	5.3%	3.4%	2.8%	3.8%	4.9%	10.7%	5.6%	4.1%	4.4%	7.2%	6.3%	8.5%
National (Billions)	702	708	713	712	727	740	748	760	771	783	794	810
% Ch	2.2%	3.6%	2.8%	-0.6%	8.4%	7.6%	4.4%	6.5%	5.8%	6.6%	5.8%	8.0%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	6,098	6,089	6,113	6,106	6,127	6,227	6,224	6,215	6,168	6,173	6,186	6,227
% Ch	3.5%	-0.6%	1.6%	-0.5%	1.4%	6.7%	-0.2%	-0.6%	-3.0%	0.3%	0.8%	2.6%
National (Billions)	1,648	1,638	1,638	1,630	1,635	1,666	1,662	1,655	1,653	1,655	1,652	1,663
% Ch	-0.7%	-2.5%	0.2%	-2.1%	1.3%	7.8%	-1.0%	-1.6%	-0.5%	0.4%	-0.6%	2.7%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	1,969	1,992	2,016	2,008	2,082	2,120	2,182	2,219	2,208	2,232	2,261	2,285
% Ch	-2.2%	4.8%	4.9%	-1.6%	15.6%	7.5%	12.2%	7.0%	-2.0%	4.5%	5.3%	4.3%
National (Billions)	565	568	572	576	591	604	618	630	639	647	657	666
% Ch	5.4%	2.5%	3.0%	2.8%	10.4%	9.3%	9.2%	8.4%	5.8%	5.1%	6.0%	6.1%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	4,233	4,332	4,439	4,528	4,749	4,863	4,923	5,024	5,112	5,188	5,261	5,323
% Ch	19.7%	9.7%	10.3%	8.3%	21.0%	10.0%	5.0%	8.5%	7.2%	6.1%	5.7%	4.8%
National (Billions)	1,135	1,159	1,183	1,205	1,252	1,283	1,298	1,319	1,341	1,360	1,378	1,393
% Ch	15.8%	8.8%	8.3%	7.8%	16.5%	10.1%	5.0%	6.5%	6.7%	5.8%	5.4%	4.5%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	1,302	1,325	1,330	1,324	1,360	1,367	1,386	1,395	1,420	1,432	1,441	1,455
% Ch	2.2%	7.3%	1.5%	-1.8%	11.3%	2.1%	5.7%	2.6%	7.3%	3.4%	2.7%	3.7%
National (Billions)	371	372	373	373	380	384	385	389	395	398	400	405
% Ch	9.2%	1.1%	1.0%	-0.4%	8.6%	3.3%	1.8%	3.6%	6.9%	2.6%	2.7%	4.5%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	424	435	424	418	421	425	424	432	411	411	413	415
% Ch	-3.7%	10.8%	-9.7%	-5.5%	2.9%	3.9%	-0.9%	7.8%	-18.1%	0.2%	2.1%	1.8%

**National Variables Forecast by Global Insight  
Forecast Begins the FIRST Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2003**

**PERSONAL INCOME -- CURR \$\$**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	18,182	18,419	18,675	18,939	19,197	19,459	19,709	19,938	20,203	20,466	20,741	20,996
% Ch	4.7%	5.3%	5.7%	5.8%	5.6%	5.6%	5.2%	4.7%	5.4%	5.3%	5.5%	5.0%
National (Billions)	5,337	5,410	5,487	5,562	5,642	5,716	5,788	5,865	5,950	6,027	6,105	6,186
% Ch	6.1%	5.6%	5.8%	5.6%	5.9%	5.3%	5.2%	5.4%	5.9%	5.3%	5.3%	5.4%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	657	831	1,025	962	818	849	869	778	820	867	937	822
% Ch	116.8%	155.8%	131.6%	-22.6%	-47.8%	16.1%	9.9%	-35.9%	23.6%	25.1%	36.2%	-40.7%
National (Billions)	18	22	28	27	28	31	32	30	31	33	35	31
% Ch	36.3%	162.3%	132.1%	-16.0%	27.0%	48.5%	13.7%	-21.8%	12.4%	21.4%	26.8%	-34.2%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	3,925	4,002	4,085	4,155	4,223	4,287	4,341	4,404	4,467	4,538	4,612	4,690
% Ch	10.8%	8.1%	8.6%	6.9%	6.7%	6.3%	5.1%	5.9%	5.9%	6.5%	6.7%	6.9%
National (Billions)	830	845	862	875	889	901	912	924	937	951	965	981
% Ch	10.3%	7.6%	8.1%	6.5%	6.3%	5.8%	4.7%	5.5%	5.5%	6.1%	6.4%	6.6%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	6,233	6,257	6,307	6,385	6,436	6,534	6,623	6,743	6,842	6,920	7,019	7,127
% Ch	0.4%	1.5%	3.2%	5.0%	3.3%	6.2%	5.6%	7.5%	6.0%	4.6%	5.8%	6.3%
National (Billions)	1,668	1,676	1,690	1,706	1,715	1,738	1,760	1,792	1,820	1,840	1,865	1,893
% Ch	1.1%	2.1%	3.2%	4.0%	2.0%	5.5%	5.2%	7.5%	6.3%	4.5%	5.7%	6.0%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	2,328	2,382	2,449	2,527	2,575	2,622	2,670	2,708	2,745	2,786	2,829	2,867
% Ch	7.7%	9.7%	11.6%	13.5%	7.8%	7.5%	7.6%	5.7%	5.6%	6.2%	6.3%	5.5%
National (Billions)	679	693	710	730	744	757	771	783	794	806	818	830
% Ch	7.6%	8.5%	10.2%	11.7%	8.0%	7.1%	7.4%	6.4%	6.1%	6.1%	6.0%	5.9%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	5,413	5,455	5,504	5,550	5,609	5,649	5,704	5,775	5,887	5,966	6,050	6,134
% Ch	7.0%	3.1%	3.6%	3.4%	4.3%	3.0%	3.9%	5.1%	7.9%	5.5%	5.7%	5.7%
National (Billions)	1,416	1,426	1,438	1,450	1,464	1,474	1,488	1,506	1,534	1,555	1,576	1,597
% Ch	6.8%	2.9%	3.4%	3.2%	4.1%	2.7%	3.7%	4.9%	7.8%	5.3%	5.6%	5.5%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	1,472	1,492	1,513	1,535	1,556	1,578	1,598	1,617	1,640	1,663	1,686	1,708
% Ch	4.9%	5.5%	5.8%	5.9%	5.7%	5.7%	5.3%	4.8%	5.8%	5.7%	5.8%	5.3%
National (Billions)	410	416	421	427	433	438	443	449	455	461	467	473
% Ch	5.8%	5.3%	5.5%	5.3%	5.6%	5.0%	4.9%	5.1%	5.9%	5.3%	5.2%	5.4%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	418	422	427	431	436	440	445	448	453	458	463	467
% Ch	3.0%	3.8%	4.3%	4.5%	4.3%	4.3%	4.0%	3.3%	4.3%	4.2%	4.5%	3.9%

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**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2003**

**EMPLOYMENT**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	569,557	569,277	568,305	564,916	563,948	567,177	568,636	572,308	569,165	569,492	570,520	571,672
% Ch	3.9%	-0.2%	-0.7%	-2.4%	-0.7%	2.3%	1.0%	2.6%	-2.2%	0.2%	0.7%	0.8%
National (Thousands)	132,433	132,193	131,943	131,130	130,759	130,706	130,844	130,795	130,596	130,363	130,509	130,991
% Ch	0.8%	-0.7%	-0.8%	-2.4%	-1.1%	-0.2%	0.4%	-0.1%	-0.6%	-0.7%	0.4%	1.5%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	113,275	111,513	109,812	106,298	104,611	104,754	105,122	105,617	103,847	102,731	102,288	101,826
% Ch	2.1%	-6.1%	-6.0%	-12.2%	-6.2%	0.5%	1.4%	1.9%	-6.5%	-4.2%	-1.7%	-1.8%
National (Thousands)	25,493	25,136	24,786	24,375	24,049	23,879	23,787	23,623	23,488	23,306	23,171	23,061
% Ch	-2.1%	-5.5%	-5.5%	-6.5%	-5.2%	-2.8%	-1.5%	-2.7%	-2.3%	-3.1%	-2.3%	-1.9%
<b>MANUFACTURING</b>												
Idaho	72,803	71,134	69,902	67,732	66,893	66,743	66,934	66,653	65,232	64,087	63,747	63,533
% Ch	-4.0%	-8.9%	-6.7%	-11.9%	-4.9%	-0.9%	1.1%	-1.7%	-8.3%	-6.8%	-2.1%	-1.3%
National (Thousands)	18,196	17,872	17,538	17,174	16,883	16,776	16,691	16,528	16,394	16,199	16,066	15,928
% Ch	-4.4%	-6.9%	-7.3%	-8.0%	-6.6%	-2.5%	-2.0%	-3.8%	-3.2%	-4.7%	-3.2%	-3.4%
<b>DURABLE MANUFACTURING</b>												
Idaho	47,146	45,592	44,678	42,984	42,315	42,196	42,369	42,415	41,572	40,580	40,221	40,049
% Ch	-3.9%	-12.5%	-7.8%	-14.3%	-6.1%	-1.1%	1.6%	0.4%	-7.7%	-9.2%	-3.5%	-1.7%
National (Thousands)	10,998	10,773	10,522	10,249	10,023	9,961	9,881	9,752	9,645	9,498	9,394	9,300
% Ch	-4.7%	-7.9%	-9.0%	-10.0%	-8.5%	-2.5%	-3.2%	-5.1%	-4.3%	-6.0%	-4.3%	-3.9%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	10,314	9,782	9,754	9,558	9,553	9,409	9,608	9,665	9,544	9,406	9,281	9,192
% Ch	-17.1%	-19.1%	-1.2%	-7.8%	-0.2%	-5.9%	8.7%	2.4%	-4.9%	-5.7%	-5.2%	-3.8%
National (Thousands)	797	789	784	773	770	768	766	761	758	744	741	738
% Ch	-7.9%	-4.0%	-2.5%	-5.7%	-1.4%	-1.2%	-1.0%	-2.6%	-1.4%	-7.4%	-1.7%	-1.3%
<b>METAL FABRICATION</b>												
Idaho	4,022	3,944	3,832	3,704	3,565	3,639	3,691	3,646	3,653	3,562	3,518	3,530
% Ch	0.7%	-7.5%	-10.9%	-12.7%	-14.1%	8.5%	5.9%	-4.8%	0.7%	-9.6%	-4.8%	1.3%
National (Thousands)	1,521	1,493	1,471	1,443	1,425	1,426	1,419	1,400	1,379	1,358	1,356	1,355
% Ch	-5.1%	-7.2%	-5.8%	-7.4%	-5.1%	0.4%	-1.9%	-5.3%	-5.9%	-6.0%	-0.7%	-0.4%
<b>MACHINERY</b>												
Idaho	3,341	3,161	2,920	2,800	2,791	2,834	2,882	2,823	2,890	2,875	2,873	2,883
% Ch	-7.0%	-19.8%	-27.3%	-15.4%	-1.4%	6.3%	6.9%	-8.0%	9.9%	-2.0%	-0.3%	1.4%
National (Thousands)	2,104	2,048	1,979	1,910	1,856	1,835	1,812	1,789	1,759	1,748	1,730	1,698
% Ch	-3.7%	-10.3%	-12.8%	-13.1%	-10.8%	-4.5%	-4.9%	-5.0%	-6.5%	-2.5%	-4.2%	-7.2%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	20,678	19,987	19,492	18,468	18,072	17,936	17,851	17,866	17,311	16,717	16,672	16,574
% Ch	5.8%	-12.7%	-9.6%	-19.4%	-8.3%	-3.0%	-1.9%	0.3%	-11.9%	-13.0%	-1.1%	-2.3%
National (Thousands)	1,744	1,672	1,587	1,520	1,461	1,436	1,409	1,370	1,346	1,323	1,296	1,258
% Ch	-2.8%	-15.5%	-18.8%	-15.8%	-14.8%	-6.6%	-7.4%	-10.6%	-6.7%	-6.7%	-8.0%	-11.0%
<b>OTHER DURABLES</b>												
Idaho	8,792	8,717	8,681	8,454	8,334	8,378	8,337	8,415	8,175	8,020	7,876	7,870
% Ch	-9.1%	-3.3%	-1.6%	-10.1%	-5.6%	2.2%	-2.0%	3.8%	-10.9%	-7.4%	-7.0%	-0.3%
National (Thousands)	4,831	4,771	4,701	4,602	4,511	4,496	4,475	4,432	4,403	4,325	4,272	4,252
% Ch	-5.1%	-4.9%	-5.7%	-8.2%	-7.7%	-1.3%	-1.9%	-3.8%	-2.6%	-6.9%	-4.8%	-1.9%

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**QUARTERLY DETAIL**  
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**EMPLOYMENT**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	573,426	575,738	578,226	580,822	583,378	586,021	588,379	590,406	592,848	595,291	598,055	600,528
% Ch	1.2%	1.6%	1.7%	1.8%	1.8%	1.8%	1.6%	1.4%	1.7%	1.7%	1.9%	1.7%
National (Thousands)	131,675	132,461	133,279	133,930	134,542	135,120	135,707	136,356	136,962	137,530	138,008	138,501
% Ch	2.1%	2.4%	2.5%	2.0%	1.8%	1.7%	1.7%	1.9%	1.8%	1.7%	1.4%	1.4%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	101,679	101,756	101,811	101,708	101,639	101,690	101,617	101,283	101,248	101,300	101,416	101,251
% Ch	-0.6%	0.3%	0.2%	-0.4%	-0.3%	0.2%	-0.3%	-1.3%	-0.1%	0.2%	0.5%	-0.6%
National (Thousands)	23,032	23,111	23,245	23,341	23,440	23,535	23,624	23,739	23,839	23,924	23,990	24,060
% Ch	-0.5%	1.4%	2.3%	1.7%	1.7%	1.6%	1.5%	2.0%	1.7%	1.4%	1.1%	1.2%
<b>MANUFACTURING</b>												
Idaho	63,669	64,058	64,450	64,643	64,876	65,231	65,430	65,387	65,617	65,900	66,250	66,317
% Ch	0.9%	2.5%	2.5%	1.2%	1.5%	2.2%	1.2%	-0.3%	1.4%	1.7%	2.1%	0.4%
National (Thousands)	15,825	15,820	15,853	15,891	15,968	16,055	16,126	16,197	16,244	16,267	16,264	16,267
% Ch	-2.6%	-0.1%	0.8%	1.0%	1.9%	2.2%	1.8%	1.8%	1.2%	0.6%	-0.1%	0.1%
<b>DURABLE MANUFACTURING</b>												
Idaho	40,072	40,318	40,559	40,707	40,800	40,953	41,024	41,060	41,155	41,281	41,422	41,587
% Ch	0.2%	2.5%	2.4%	1.5%	0.9%	1.5%	0.7%	0.4%	0.9%	1.2%	1.4%	1.6%
National (Thousands)	9,235	9,243	9,271	9,296	9,358	9,418	9,465	9,504	9,523	9,536	9,534	9,546
% Ch	-2.8%	0.3%	1.2%	1.1%	2.7%	2.6%	2.0%	1.7%	0.8%	0.5%	-0.1%	0.5%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	9,105	8,997	8,891	8,789	8,658	8,530	8,410	8,311	8,256	8,224	8,200	8,167
% Ch	-3.7%	-4.7%	-4.6%	-4.5%	-5.8%	-5.8%	-5.5%	-4.6%	-2.6%	-1.5%	-1.2%	-1.6%
National (Thousands)	736	736	738	740	744	747	749	753	756	762	766	771
% Ch	-1.4%	0.3%	0.8%	1.3%	2.1%	1.7%	1.4%	1.7%	2.0%	2.8%	2.5%	2.6%
<b>METAL FABRICATION</b>												
Idaho	3,555	3,592	3,628	3,655	3,674	3,688	3,698	3,713	3,718	3,716	3,714	3,707
% Ch	2.9%	4.3%	4.0%	3.1%	2.1%	1.5%	1.1%	1.6%	0.6%	-0.2%	-0.3%	-0.7%
National (Thousands)	1,358	1,366	1,372	1,379	1,387	1,397	1,405	1,411	1,415	1,418	1,418	1,416
% Ch	1.1%	2.4%	1.6%	2.2%	2.2%	3.1%	2.0%	2.0%	1.1%	0.8%	-0.1%	-0.6%
<b>MACHINERY</b>												
Idaho	2,901	2,919	2,935	2,951	2,972	2,992	3,011	3,025	3,028	3,029	3,027	3,024
% Ch	2.5%	2.4%	2.2%	2.2%	2.8%	2.8%	2.6%	1.8%	0.5%	0.0%	-0.3%	-0.4%
National (Thousands)	1,670	1,654	1,651	1,655	1,652	1,656	1,659	1,667	1,674	1,674	1,671	1,668
% Ch	-6.4%	-3.7%	-0.6%	1.0%	-0.7%	0.9%	0.7%	2.0%	1.6%	0.1%	-0.7%	-0.7%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	16,524	16,653	16,809	16,967	17,165	17,406	17,559	17,653	17,772	17,890	18,000	18,133
% Ch	-1.2%	3.1%	3.8%	3.8%	4.8%	5.7%	3.6%	2.1%	2.7%	2.7%	2.5%	3.0%
National (Thousands)	1,232	1,222	1,223	1,211	1,236	1,256	1,277	1,293	1,300	1,305	1,304	1,310
% Ch	-8.3%	-3.0%	0.1%	-3.7%	8.2%	6.8%	6.7%	5.3%	2.2%	1.4%	-0.4%	1.8%
<b>OTHER DURABLES</b>												
Idaho	7,986	8,158	8,296	8,345	8,331	8,336	8,345	8,358	8,380	8,421	8,482	8,557
% Ch	6.0%	8.9%	7.0%	2.4%	-0.7%	0.3%	0.4%	0.6%	1.1%	2.0%	2.9%	3.6%
National (Thousands)	4,240	4,264	4,288	4,310	4,339	4,361	4,375	4,380	4,378	4,377	4,375	4,381
% Ch	-1.1%	2.3%	2.2%	2.1%	2.8%	2.0%	1.3%	0.4%	-0.2%	0.0%	-0.2%	0.5%

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**EMPLOYMENT**

**MANUFACTURING (continued)**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	25,657	25,541	25,224	24,748	24,579	24,547	24,565	24,238	23,660	23,507	23,525	23,484
% Ch	-4.1%	-1.8%	-4.9%	-7.3%	-2.7%	-0.5%	0.3%	-5.2%	-9.2%	-2.6%	0.3%	-0.7%
National (Thousands)	7,198	7,099	7,015	6,925	6,860	6,815	6,810	6,776	6,749	6,702	6,673	6,627
% Ch	-3.8%	-5.4%	-4.6%	-5.0%	-3.7%	-2.6%	-0.3%	-2.0%	-1.6%	-2.8%	-1.7%	-2.7%
<b>FOOD PROCESSING</b>												
Idaho	16,548	16,655	16,615	16,268	16,456	16,377	16,353	16,232	15,816	15,708	15,725	15,660
% Ch	-5.5%	2.6%	-1.0%	-8.1%	4.7%	-1.9%	-0.6%	-2.9%	-9.9%	-2.7%	0.4%	-1.6%
National (Thousands)	1,694	1,691	1,688	1,688	1,686	1,689	1,688	1,689	1,694	1,695	1,686	1,673
% Ch	2.0%	-0.6%	-0.8%	0.1%	-0.6%	0.8%	-0.2%	0.2%	1.2%	0.4%	-2.1%	-3.1%
<b>PRINTING</b>												
Idaho	2,373	2,260	2,174	2,092	2,031	2,018	2,052	2,029	2,012	2,020	2,034	2,049
% Ch	-4.2%	-17.8%	-14.3%	-14.3%	-11.3%	-2.4%	7.0%	-4.5%	-3.4%	1.6%	2.8%	3.0%
National (Thousands)	1,528	1,503	1,479	1,453	1,428	1,408	1,403	1,398	1,397	1,392	1,399	1,396
% Ch	-3.6%	-6.5%	-6.1%	-6.8%	-6.8%	-5.4%	-1.4%	-1.5%	-0.2%	-1.6%	2.0%	-0.7%
<b>CHEMICALS</b>												
Idaho	2,374	2,378	2,296	2,246	1,973	1,936	1,893	1,898	1,837	1,818	1,796	1,777
% Ch	0.0%	0.7%	-13.2%	-8.4%	-40.4%	-7.4%	-8.7%	1.2%	-12.3%	-3.9%	-4.9%	-4.1%
National (Thousands)	1,028	1,023	1,022	1,015	1,010	1,007	1,008	1,007	1,004	998	984	969
% Ch	-1.0%	-1.9%	-0.4%	-2.6%	-2.1%	-0.9%	0.3%	-0.5%	-1.2%	-2.1%	-5.8%	-5.7%
<b>OTHER NONDURABLES</b>												
Idaho	4,362	4,248	4,139	4,142	4,119	4,216	4,268	4,079	3,996	3,960	3,971	3,998
% Ch	-0.4%	-10.0%	-9.8%	0.3%	-2.2%	9.8%	5.0%	-16.5%	-8.0%	-3.5%	1.1%	2.7%
National (Thousands)	2,948	2,882	2,826	2,769	2,737	2,710	2,710	2,682	2,654	2,616	2,604	2,589
% Ch	-8.0%	-8.7%	-7.5%	-7.9%	-4.5%	-3.8%	0.0%	-4.1%	-4.2%	-5.6%	-1.9%	-2.3%
<b>MINING</b>												
Idaho	2,150	2,083	1,901	1,756	1,764	1,733	1,785	1,750	1,731	1,759	1,781	1,756
% Ch	-22.5%	-11.9%	-30.5%	-27.3%	1.8%	-6.8%	12.6%	-7.7%	-4.1%	6.6%	5.1%	-5.6%
National (Thousands)	556	565	571	566	564	559	553	552	554	559	572	580
% Ch	3.7%	6.6%	3.8%	-3.5%	-1.2%	-3.5%	-4.5%	-0.5%	1.5%	3.4%	9.6%	5.8%
<b>CONSTRUCTION</b>												
Idaho	38,322	38,297	38,009	36,811	35,954	36,278	36,403	37,214	36,884	36,885	36,760	36,537
% Ch	17.0%	-0.3%	-3.0%	-12.0%	-9.0%	3.7%	1.4%	9.2%	-3.5%	0.0%	-1.4%	-2.4%
National (Thousands)	6,740	6,699	6,678	6,635	6,602	6,544	6,544	6,544	6,540	6,548	6,533	6,553
% Ch	4.0%	-2.4%	-1.3%	-2.5%	-2.0%	-3.5%	0.0%	0.0%	-0.2%	0.5%	-1.0%	1.3%

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**EMPLOYMENT**

**MANUFACTURING (continued)**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	23,597	23,740	23,891	23,936	24,076	24,278	24,406	24,327	24,463	24,619	24,828	24,729
% Ch	1.9%	2.5%	2.6%	0.7%	2.4%	3.4%	2.1%	-1.3%	2.2%	2.6%	3.4%	-1.6%
National (Thousands)	6,590	6,577	6,582	6,595	6,610	6,637	6,661	6,693	6,720	6,732	6,730	6,722
% Ch	-2.3%	-0.7%	0.3%	0.8%	0.9%	1.7%	1.4%	1.9%	1.6%	0.7%	-0.1%	-0.5%
<b>FOOD PROCESSING</b>												
Idaho	15,733	15,826	15,920	15,909	15,983	16,129	16,201	16,069	16,161	16,278	16,449	16,312
% Ch	1.9%	2.4%	2.4%	-0.3%	1.9%	3.7%	1.8%	-3.2%	2.3%	2.9%	4.3%	-3.3%
National (Thousands)	1,663	1,664	1,667	1,673	1,681	1,691	1,699	1,704	1,709	1,713	1,714	1,711
% Ch	-2.4%	0.2%	0.7%	1.5%	1.8%	2.5%	1.9%	1.1%	1.3%	0.9%	0.2%	-0.7%
<b>PRINTING</b>												
Idaho	2,067	2,081	2,094	2,107	2,131	2,145	2,155	2,164	2,169	2,171	2,176	2,181
% Ch	3.5%	2.7%	2.5%	2.6%	4.6%	2.7%	1.9%	1.6%	1.0%	0.4%	0.8%	1.1%
National (Thousands)	1,394	1,399	1,408	1,418	1,426	1,440	1,452	1,473	1,490	1,501	1,508	1,513
% Ch	-0.6%	1.3%	2.7%	2.8%	2.4%	3.8%	3.5%	5.8%	4.8%	3.0%	1.8%	1.3%
<b>CHEMICALS</b>												
Idaho	1,761	1,756	1,758	1,763	1,769	1,776	1,782	1,788	1,793	1,798	1,803	1,809
% Ch	-3.5%	-1.2%	0.5%	1.1%	1.5%	1.5%	1.4%	1.3%	1.2%	1.1%	1.1%	1.2%
National (Thousands)	955	943	936	931	927	926	928	930	933	933	932	930
% Ch	-5.6%	-5.3%	-2.6%	-2.2%	-1.7%	-0.3%	0.5%	1.1%	1.0%	0.3%	-0.7%	-0.8%
<b>OTHER NONDURABLES</b>												
Idaho	4,036	4,078	4,120	4,157	4,193	4,228	4,268	4,307	4,339	4,371	4,401	4,428
% Ch	3.8%	4.2%	4.2%	3.7%	3.5%	3.3%	3.8%	3.7%	3.1%	3.0%	2.7%	2.5%
National (Thousands)	2,577	2,572	2,571	2,573	2,576	2,580	2,582	2,587	2,588	2,584	2,576	2,568
% Ch	-1.8%	-0.7%	-0.2%	0.3%	0.4%	0.7%	0.3%	0.6%	0.3%	-0.7%	-1.2%	-1.2%
<b>MINING</b>												
Idaho	1,756	1,765	1,767	1,784	1,772	1,737	1,716	1,660	1,620	1,609	1,593	1,587
% Ch	0.1%	2.1%	0.4%	3.8%	-2.6%	-7.8%	-4.6%	-12.4%	-9.3%	-2.8%	-3.8%	-1.5%
National (Thousands)	574	570	562	557	549	540	531	521	515	511	507	503
% Ch	-3.6%	-2.9%	-5.5%	-3.8%	-5.4%	-6.8%	-6.1%	-7.2%	-4.6%	-3.3%	-3.3%	-2.5%
<b>CONSTRUCTION</b>												
Idaho	36,254	35,933	35,594	35,281	34,991	34,723	34,471	34,235	34,010	33,791	33,572	33,348
% Ch	-3.1%	-3.5%	-3.7%	-3.5%	-3.3%	-3.0%	-2.9%	-2.7%	-2.6%	-2.5%	-2.6%	-2.6%
National (Thousands)	6,633	6,721	6,829	6,893	6,923	6,941	6,967	7,021	7,080	7,146	7,219	7,289
% Ch	4.9%	5.4%	6.6%	3.8%	1.7%	1.0%	1.5%	3.1%	3.4%	3.8%	4.2%	3.9%

**National Variables Forecast by Global Insight  
Forecast Begins the FIRST Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2003**

**EMPLOYMENT**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>NON-GOODS PRODUCING</b>												
Idaho	456,281	457,764	458,493	458,618	459,337	462,423	463,514	466,691	465,318	466,761	468,232	469,846
% Ch	4.3%	1.3%	0.6%	0.1%	0.6%	2.7%	0.9%	2.8%	-1.2%	1.2%	1.3%	1.4%
National (Thousands)	106,941	107,057	107,157	106,755	106,711	106,827	107,057	107,172	107,108	107,057	107,338	107,930
% Ch	1.4%	0.4%	0.4%	-1.5%	-0.2%	0.4%	0.9%	0.4%	-0.2%	-0.2%	1.1%	2.2%
<b>SERVICES</b>												
Idaho	247,971	249,490	250,524	250,306	250,007	252,887	254,494	257,121	256,180	257,394	258,598	259,783
% Ch	10.3%	2.5%	1.7%	-0.3%	-0.5%	4.7%	2.6%	4.2%	-1.5%	1.9%	1.9%	1.8%
National (Thousands)	55,807	55,834	55,846	55,540	55,502	55,620	55,808	55,939	55,925	55,902	56,156	56,636
% Ch	1.7%	0.2%	0.1%	-2.2%	-0.3%	0.9%	1.4%	0.9%	-0.1%	-0.2%	1.8%	3.5%
<b>INFORMATION</b>												
Idaho	9,765	9,580	9,572	9,468	9,296	9,191	8,948	9,194	9,139	9,112	9,116	9,163
% Ch	-6.9%	-7.3%	-0.3%	-4.3%	-7.1%	-4.4%	-10.1%	11.4%	-2.4%	-1.2%	0.2%	2.1%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	24,704	24,996	25,162	25,172	25,635	25,663	25,893	26,092	25,932	26,137	26,317	26,474
% Ch	-5.0%	4.8%	2.7%	0.1%	7.6%	0.4%	3.6%	3.1%	-2.4%	3.2%	2.8%	2.4%
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	19,229	19,281	19,163	18,933	18,676	18,687	18,668	18,653	18,364	18,402	18,411	18,324
% Ch	-2.6%	1.1%	-2.4%	-4.7%	-5.3%	0.2%	-0.4%	-0.3%	-6.1%	0.8%	0.2%	-1.9%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	67,084	67,645	68,280	67,614	67,151	68,943	69,548	70,414	69,616	69,800	69,923	70,149
% Ch	31.9%	3.4%	3.8%	-3.8%	-2.7%	11.1%	3.6%	5.1%	-4.5%	1.1%	0.7%	1.3%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	55,592	56,534	57,469	58,241	58,880	59,533	60,113	60,731	61,092	61,488	61,867	62,222
% Ch	8.9%	7.0%	6.8%	5.5%	4.5%	4.5%	4.0%	4.2%	2.4%	2.6%	2.5%	2.3%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	53,323	53,135	52,829	52,937	52,657	53,093	53,368	53,996	54,842	55,279	55,717	56,154
% Ch	4.1%	-1.4%	-2.3%	0.8%	-2.1%	3.3%	2.1%	4.8%	6.4%	3.2%	3.2%	3.2%
<b>OTHER SERVICES</b>												
Idaho	18,274	18,319	18,048	17,942	17,712	17,778	17,955	18,041	17,195	17,176	17,247	17,296
% Ch	10.0%	1.0%	-5.8%	-2.3%	-5.0%	1.5%	4.0%	1.9%	-17.5%	-0.4%	1.7%	1.1%
<b>TRADE</b>												
Idaho	99,434	98,771	97,346	96,744	97,513	97,549	97,343	96,909	96,717	97,044	97,321	97,642
% Ch	-6.9%	-2.6%	-5.6%	-2.5%	3.2%	0.1%	-0.8%	-1.8%	-0.8%	1.4%	1.1%	1.3%
National (Thousands)	30,387	30,362	30,307	30,120	30,044	30,007	29,979	29,875	29,816	29,763	29,801	29,917
% Ch	0.5%	-0.3%	-0.7%	-2.4%	-1.0%	-0.5%	-0.4%	-1.4%	-0.8%	-0.7%	0.5%	1.6%
<b>RETAIL TRADE</b>												
Idaho	73,713	73,111	72,050	71,569	72,569	72,614	72,391	71,961	72,081	72,278	72,507	72,758
% Ch	-8.6%	-3.2%	-5.7%	-2.6%	5.7%	0.2%	-1.2%	-2.4%	0.7%	1.1%	1.3%	1.4%
<b>WHOLESALE TRADE</b>												
Idaho	25,721	25,660	25,297	25,175	24,944	24,935	24,951	24,948	24,635	24,766	24,814	24,884
% Ch	-2.0%	-0.9%	-5.5%	-1.9%	-3.6%	-0.1%	0.3%	-0.1%	-4.9%	2.1%	0.8%	1.1%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	95,714	96,322	97,244	98,171	98,532	98,743	97,902	98,766	99,311	99,316	99,250	99,388
% Ch	2.3%	2.6%	3.9%	3.9%	1.5%	0.9%	-3.4%	3.6%	2.2%	0.0%	-0.3%	0.6%
National (Thousands)	18,129	18,246	18,381	18,478	18,556	18,597	18,657	18,699	18,706	18,732	18,696	18,689
% Ch	2.6%	2.6%	3.0%	2.1%	1.7%	0.9%	1.3%	0.9%	0.1%	0.5%	-0.8%	-0.1%
<b>EDUCATION</b>												
Idaho	48,401	48,581	49,290	49,821	49,653	50,139	49,155	49,669	50,474	50,483	50,389	50,502
% Ch	2.8%	1.5%	6.0%	4.4%	-1.3%	4.0%	-7.6%	4.3%	6.6%	0.1%	-0.7%	0.9%
<b>NON-EDUCATION</b>												
Idaho	47,312	47,741	47,954	48,350	48,879	48,604	48,747	49,097	48,837	48,833	48,861	48,886
% Ch	1.8%	3.7%	1.8%	3.3%	4.5%	-2.2%	1.2%	2.9%	-2.1%	0.0%	0.2%	0.2%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,163	13,181	13,378	13,397	13,286	13,244	13,776	13,895	13,110	13,007	13,063	13,035
% Ch	0.5%	0.6%	6.1%	0.6%	-3.3%	-1.3%	17.1%	3.5%	-20.8%	-3.1%	1.7%	-0.8%
National (Thousands)	2,617	2,616	2,623	2,618	2,609	2,604	2,613	2,658	2,660	2,660	2,685	2,687
% Ch	-0.3%	-0.3%	1.1%	-0.8%	-1.3%	-0.9%	1.4%	7.1%	0.3%	0.0%	3.8%	0.4%

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**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**JULY 2003**

**EMPLOYMENT**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>NON-GOODS PRODUCING</b>												
Idaho	471,747	473,981	476,415	479,114	481,739	484,331	486,761	489,123	491,601	493,992	496,639	499,276
% Ch	1.6%	1.9%	2.1%	2.3%	2.2%	2.2%	2.0%	2.0%	2.0%	2.0%	2.2%	2.1%
National (Thousands)	108,643	109,349	110,034	110,589	111,103	111,585	112,083	112,617	113,123	113,606	114,018	114,441
% Ch	2.7%	2.6%	2.5%	2.0%	1.9%	1.7%	1.8%	1.9%	1.8%	1.7%	1.5%	1.5%
<b>SERVICES</b>												
Idaho	261,086	262,650	264,524	266,572	268,474	270,346	272,062	273,829	275,825	277,706	279,753	281,826
% Ch	2.0%	2.4%	2.9%	3.1%	2.9%	2.8%	2.6%	2.6%	2.9%	2.8%	3.0%	3.0%
National (Thousands)	57,199	57,728	58,306	58,797	59,256	59,672	60,096	60,514	60,949	61,322	61,633	61,923
% Ch	4.0%	3.8%	4.1%	3.4%	3.2%	2.8%	2.9%	2.8%	2.9%	2.5%	2.0%	1.9%
<b>INFORMATION</b>												
Idaho	9,207	9,280	9,365	9,453	9,554	9,651	9,741	9,821	9,891	9,951	10,002	10,041
% Ch	1.9%	3.2%	3.7%	3.8%	4.3%	4.1%	3.8%	3.3%	2.9%	2.5%	2.1%	1.6%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	26,618	26,758	26,894	27,026	27,153	27,276	27,397	27,515	27,632	27,748	27,861	27,972
% Ch	2.2%	2.1%	2.0%	2.0%	1.9%	1.8%	1.8%	1.7%	1.7%	1.7%	1.6%	1.6%
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	18,252	18,290	18,330	18,376	18,527	18,656	18,736	18,807	18,841	18,841	18,841	18,848
% Ch	-1.6%	0.8%	0.9%	1.0%	3.3%	2.8%	1.7%	1.5%	0.7%	0.0%	0.0%	0.1%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	70,442	70,800	71,232	71,763	72,189	72,656	73,115	73,633	74,296	74,929	75,681	76,462
% Ch	1.7%	2.0%	2.5%	3.0%	2.4%	2.6%	2.5%	2.9%	3.6%	3.5%	4.1%	4.2%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	62,635	63,090	63,733	64,414	64,962	65,498	65,967	66,462	67,064	67,620	68,237	68,847
% Ch	2.7%	2.9%	4.1%	4.3%	3.4%	3.3%	2.9%	3.0%	3.7%	3.4%	3.7%	3.6%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	56,592	57,029	57,467	57,904	58,342	58,779	59,216	59,654	60,091	60,529	60,966	61,404
% Ch	3.2%	3.1%	3.1%	3.1%	3.1%	3.0%	3.0%	3.0%	3.0%	2.9%	2.9%	2.9%
<b>OTHER SERVICES</b>												
Idaho	17,340	17,404	17,503	17,634	17,747	17,830	17,890	17,937	18,009	18,088	18,165	18,251
% Ch	1.0%	1.5%	2.3%	3.0%	2.6%	1.9%	1.3%	1.1%	1.6%	1.8%	1.7%	1.9%
<b>TRADE</b>												
Idaho	98,135	98,634	99,196	99,867	100,568	101,272	101,887	102,415	102,947	103,469	104,037	104,641
% Ch	2.0%	2.1%	2.3%	2.7%	2.8%	2.8%	2.4%	2.1%	2.1%	2.0%	2.2%	2.3%
National (Thousands)	30,080	30,240	30,328	30,393	30,396	30,412	30,421	30,486	30,544	30,635	30,716	30,804
% Ch	2.2%	2.2%	1.2%	0.9%	0.0%	0.2%	0.1%	0.9%	0.8%	1.2%	1.1%	1.2%
<b>RETAIL TRADE</b>												
Idaho	73,146	73,531	73,965	74,484	75,029	75,577	76,057	76,469	76,885	77,291	77,734	78,204
% Ch	2.1%	2.1%	2.4%	2.8%	3.0%	3.0%	2.6%	2.2%	2.2%	2.1%	2.3%	2.4%
<b>WHOLESALE TRADE</b>												
Idaho	24,989	25,103	25,231	25,383	25,539	25,695	25,830	25,945	26,063	26,178	26,303	26,437
% Ch	1.7%	1.8%	2.1%	2.4%	2.5%	2.5%	2.1%	1.8%	1.8%	1.8%	1.9%	2.0%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	99,478	99,558	99,533	99,493	99,530	99,560	99,669	99,748	99,707	99,697	99,726	99,699
% Ch	0.4%	0.3%	-0.1%	-0.2%	0.1%	0.1%	0.4%	0.3%	-0.2%	0.0%	0.1%	-0.1%
National (Thousands)	18,678	18,695	18,712	18,709	18,760	18,808	18,873	18,923	18,934	18,952	18,973	19,016
% Ch	-0.3%	0.4%	0.4%	-0.1%	1.1%	1.0%	1.4%	1.1%	0.2%	0.4%	0.4%	0.9%
<b>EDUCATION</b>												
Idaho	50,556	50,579	50,594	50,633	50,712	50,750	50,815	50,843	50,787	50,779	50,836	50,838
% Ch	0.4%	0.2%	0.1%	0.3%	0.6%	0.3%	0.5%	0.2%	-0.4%	-0.1%	0.4%	0.0%
<b>NON-EDUCATION</b>												
Idaho	48,922	48,979	48,939	48,860	48,818	48,810	48,854	48,905	48,920	48,918	48,891	48,861
% Ch	0.3%	0.5%	-0.3%	-0.6%	-0.3%	-0.1%	0.4%	0.4%	0.1%	0.0%	-0.2%	-0.2%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,048	13,139	13,162	13,182	13,167	13,152	13,144	13,131	13,121	13,119	13,123	13,111
% Ch	0.4%	2.8%	0.7%	0.6%	-0.5%	-0.5%	-0.2%	-0.4%	-0.3%	-0.1%	0.1%	-0.4%
National (Thousands)	2,687	2,686	2,688	2,690	2,691	2,692	2,693	2,694	2,695	2,696	2,697	2,698
% Ch	-0.1%	-0.1%	0.3%	0.3%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

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**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2003**

**MISCELLANEOUS**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	1.087	1.093	1.099	1.098	1.101	1.105	1.108	1.112	1.119	1.122	1.126	1.131
% Ch	3.7%	2.5%	2.2%	-0.5%	1.3%	1.2%	1.0%	1.8%	2.5%	1.0%	1.5%	1.8%
<b>Consumption Expenditures</b>	1.092	1.096	1.096	1.098	1.101	1.109	1.114	1.119	1.126	1.129	1.133	1.137
% Ch	3.3%	1.8%	-0.1%	0.8%	1.1%	2.7%	1.7%	1.8%	2.7%	1.1%	1.2%	1.7%
<b>Durable Goods</b>	0.907	0.899	0.893	0.889	0.880	0.874	0.869	0.865	0.856	0.853	0.851	0.850
% Ch	-1.2%	-3.4%	-2.7%	-1.5%	-4.2%	-2.9%	-1.9%	-2.2%	-3.7%	-1.6%	-0.9%	-0.6%
<b>Nondurable Goods</b>	1.090	1.098	1.094	1.085	1.085	1.098	1.099	1.103	1.115	1.114	1.112	1.115
% Ch	1.8%	2.9%	-1.4%	-3.5%	0.2%	4.6%	0.6%	1.2%	4.6%	-0.5%	-0.7%	1.2%
<b>Services</b>	1.134	1.141	1.144	1.154	1.161	1.170	1.179	1.187	1.196	1.204	1.211	1.219
% Ch	5.1%	2.3%	1.1%	3.5%	2.7%	3.0%	3.0%	3.0%	3.1%	2.5%	2.5%	2.4%
<b>Consumer Price Index (1982-84=100)</b>	1.759	1.773	1.777	1.774	1.780	1.795	1.805	1.814	1.831	1.836	1.841	1.848
% Ch	3.8%	3.2%	1.0%	-0.6%	1.3%	3.5%	2.2%	2.0%	3.9%	1.0%	1.1%	1.6%
<b>SELECTED INTEREST RATES</b>												
<b>Federal Funds</b>	5.6%	4.3%	3.5%	2.1%	1.7%	1.8%	1.7%	1.4%	1.3%	1.3%	1.3%	1.3%
<b>NY Fed Discount</b>	5.1%	3.8%	3.1%	1.6%	1.3%	1.3%	1.3%	0.9%	2.3%	2.3%	2.3%	2.3%
<b>Prime</b>	8.6%	7.3%	6.6%	5.2%	4.8%	4.8%	4.8%	4.5%	4.3%	4.3%	4.3%	4.3%
<b>Existing Home Mortgage</b>	7.2%	7.1%	7.1%	6.7%	6.9%	6.8%	6.4%	6.1%	5.9%	5.6%	5.7%	5.8%
<b>U.S. Govt. 3-Month Bills</b>	4.9%	3.7%	3.2%	1.9%	1.7%	1.7%	1.6%	1.4%	1.2%	1.1%	1.1%	1.2%
<b>U.S. Govt. 6-Month Bills</b>	4.7%	3.7%	3.2%	1.9%	1.8%	1.9%	1.6%	1.4%	1.2%	1.1%	1.1%	1.3%
<b>U.S. Govt. 5-Year Notes</b>	4.8%	4.8%	4.5%	4.1%	4.5%	4.4%	3.3%	3.0%	2.9%	2.6%	2.6%	2.9%
<b>U.S. Govt. 10-Year Notes</b>	5.1%	5.3%	5.0%	4.8%	5.1%	5.1%	4.3%	4.0%	3.9%	3.7%	3.7%	3.9%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Wood Products</b>	98.3	99.8	101.3	99.3	100.7	101.3	101.7	98.1	95.8	95.3	95.2	95.0
% Ch	-15.2%	6.2%	6.1%	-7.7%	6.0%	2.3%	1.6%	-13.4%	-9.3%	-1.9%	-0.5%	-0.9%
<b>Computers &amp; Electronic Products</b>	234.9	226.0	218.3	215.7	216.2	219.6	222.6	224.4	227.1	232.7	241.4	251.5
% Ch	-6.0%	-14.4%	-12.9%	-4.6%	0.9%	6.4%	5.5%	3.4%	4.9%	10.3%	15.7%	18.0%
<b>Food</b>	105.1	105.3	104.8	104.9	105.7	105.7	105.5	105.1	104.2	104.5	105.2	106.1
% Ch	-2.2%	0.8%	-1.8%	0.2%	3.0%	0.1%	-0.6%	-1.7%	-3.4%	1.3%	2.8%	3.3%
<b>Agricultural Chemicals</b>	83.2	78.7	78.2	81.5	77.4	77.8	78.1	77.0	74.0	72.2	71.8	71.8
% Ch	-16.2%	-19.6%	-2.5%	17.5%	-18.6%	2.0%	1.6%	-5.5%	-14.8%	-9.5%	-2.0%	0.0%
<b>Metal Ore Mining</b>	84.3	83.0	80.8	79.8	71.8	73.7	74.1	75.4	71.3	76.9	77.7	78.6
% Ch	-13.2%	-6.2%	-9.9%	-5.2%	-34.5%	11.0%	2.6%	7.0%	-20.1%	35.7%	4.1%	4.4%

**National Variables Forecast by Global Insight  
Forecast Begins the FIRST Quarter of 2003**

**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**JULY 2003**

**MISCELLANEOUS**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	1.137	1.143	1.150	1.156	1.163	1.169	1.176	1.183	1.190	1.197	1.204	1.210
% Ch	2.2%	2.0%	2.3%	2.2%	2.5%	2.3%	2.3%	2.2%	2.5%	2.3%	2.4%	2.2%
<b>Consumption Expenditures</b>	1.142	1.147	1.154	1.161	1.167	1.173	1.180	1.186	1.193	1.201	1.208	1.215
% Ch	1.7%	1.7%	2.4%	2.4%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.4%
<b>Durable Goods</b>	0.848	0.846	0.845	0.844	0.844	0.845	0.847	0.848	0.849	0.850	0.850	0.850
% Ch	-0.8%	-0.7%	-0.5%	-0.5%	0.1%	0.4%	0.7%	0.7%	0.5%	0.3%	0.2%	0.1%
<b>Nondurable Goods</b>	1.116	1.117	1.123	1.130	1.134	1.138	1.143	1.147	1.152	1.158	1.164	1.169
% Ch	0.2%	0.4%	2.4%	2.4%	1.3%	1.5%	1.8%	1.5%	1.8%	2.0%	2.3%	1.7%
<b>Services</b>	1.227	1.236	1.245	1.254	1.263	1.272	1.281	1.290	1.300	1.309	1.319	1.329
% Ch	2.9%	2.8%	2.9%	3.0%	2.9%	2.8%	2.9%	2.9%	3.0%	3.0%	3.1%	3.1%
<b>Consumer Price Index (1982-84=100)</b>	1.854	1.861	1.871	1.882	1.892	1.902	1.913	1.924	1.936	1.948	1.960	1.972
% Ch	1.4%	1.4%	2.2%	2.4%	2.0%	2.2%	2.4%	2.3%	2.4%	2.5%	2.6%	2.4%
<b>SELECTED INTEREST RATES</b>												
<b>Federal Funds</b>	1.5%	1.5%	1.8%	2.0%	2.2%	2.6%	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>NY Fed Discount</b>	2.5%	2.5%	2.8%	3.0%	3.2%	3.6%	3.8%	4.0%	4.0%	4.0%	4.0%	4.0%
<b>Prime</b>	4.5%	4.5%	4.8%	5.0%	5.2%	5.6%	5.8%	6.0%	6.0%	6.0%	6.0%	6.0%
<b>Existing Home Mortgage</b>	5.7%	5.9%	6.2%	6.5%	6.7%	7.0%	7.1%	7.2%	7.2%	7.1%	7.1%	7.1%
<b>U.S. Govt. 3-Month Bills</b>	1.4%	1.4%	1.7%	1.9%	2.1%	2.4%	2.6%	2.8%	2.8%	2.8%	2.8%	2.8%
<b>U.S. Govt. 6-Month Bills</b>	1.6%	1.6%	1.9%	2.1%	2.3%	2.6%	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>U.S. Govt. 5-Year Notes</b>	3.3%	3.5%	3.9%	4.3%	4.6%	4.9%	5.1%	5.2%	5.2%	5.2%	5.1%	5.1%
<b>U.S. Govt. 10-Year Notes</b>	4.1%	4.3%	4.7%	5.0%	5.3%	5.6%	5.7%	5.8%	5.8%	5.8%	5.8%	5.7%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Wood Products</b>	94.5	93.9	93.4	93.0	92.7	92.3	92.1	92.1	92.3	92.7	93.1	93.8
% Ch	-2.0%	-2.7%	-1.8%	-1.8%	-1.5%	-1.4%	-1.0%	0.0%	0.9%	1.9%	1.6%	3.0%
<b>Computers &amp; Electronic Products</b>	264.1	279.9	296.3	310.6	329.5	343.5	355.1	364.2	371.3	378.2	384.9	390.8
% Ch	21.6%	26.1%	25.7%	20.7%	26.7%	18.1%	14.2%	10.6%	8.1%	7.6%	7.3%	6.3%
<b>Food</b>	107.0	107.9	108.7	109.5	110.2	110.9	111.6	112.2	112.7	113.1	113.5	113.9
% Ch	3.4%	3.3%	3.1%	2.9%	2.8%	2.6%	2.5%	2.2%	1.6%	1.6%	1.5%	1.4%
<b>Agricultural Chemicals</b>	72.2	72.8	73.4	74.0	74.4	74.9	75.3	75.7	76.2	76.6	77.1	77.5
% Ch	2.3%	3.5%	3.4%	3.0%	2.5%	2.4%	2.2%	2.3%	2.3%	2.4%	2.4%	2.3%
<b>Metal Ore Mining</b>	79.9	81.5	83.6	85.5	86.9	88.8	90.6	91.5	92.1	92.8	93.7	94.6
% Ch	7.0%	7.9%	10.8%	9.4%	6.7%	9.0%	8.5%	3.9%	2.5%	3.4%	3.8%	4.1%

**National Variables Forecast by Global Insight**  
**Forecast Begins the FIRST Quarter of 2003**

## **APPENDIX**

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## THE GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The Global Insight model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the non-profit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

## THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the Global Insight U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

**personal income = wage and salary payments + other labor  
income + farm proprietors' income + nonfarm proprietors'  
income + property income + transfer payments - contributions  
for social insurance + residence adjustment.**

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly-aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 23 North American Industry Classification System employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from Global Insight's U.S. macroeconomic model.

Since the output of the IEM depends in large part upon the output of the Global Insight model, an understanding of the Global Insight model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the Global Insight model are discussed in the National Forecast section.



## IDAHO ECONOMIC MODEL

$$EEA\_ID = EEA\_ID\_GOODS + EEA\_ID\_NONGOODS$$

$$EEA\_ID\_2100 = 4560.871055 + 47.9035436*ID0IP2122\_2123 - 4440.679026*(JRWSSNF/WPI10) - 30.78816369*(IPSG21/EMI) + 22.84546404*(@TREND)$$

$$EEA\_ID\_2300 = -10442.59489 + 319.5480268*(@TREND) + 164.6565624*ID0HSPRS1\_A + 141.1341963*ID0HSPRS1\_A(-1) + 117.6118303*ID0HSPRS1\_A(-2) + 94.0894642*ID0HSPRS1\_A(-3) + 70.56709815*ID0HSPRS1\_A(-4) + 47.0447321*ID0HSPRS1\_A(-5) + 23.52236605*ID0HSPRS1\_A(-6)$$

$$EEA\_ID\_3110 = 6481.491377 - 2559.881703*(JRWSSNF/WPI01) + 127.8738571*(@MOVAV(IPSG311,2))$$

$$EEA\_ID\_3230 = -1100.982584 + 49.0503171*(@MOVAV(IPSG323,8)) - 12.67142715*(@TREND)$$

$$EEA\_ID\_3250 = 3066.497075 + 11.97041749*(@MOVAV(IPSG3253(-1),4)) - 1899.526286*DUM951ON$$

$$EEA\_ID\_3320 = -1226.745711 + 44.69886498*(@MOVAV(IPSG332,2)) - 1524.00886*(JRWSSNF/WPI10) + 16.43808769*(@TREND)$$

$$EEA\_ID\_3330 = 424.931962 + 24.26378782*IPSG333 - 1813.164635*(JRWSSNF/WPI11) + 17.54055015*(@TREND)$$

$$EEA\_ID\_3340 = 29358.24305 + 35.62873208*IPSG3341 - 17144.90314*REALEXCH_DEV$$

$$EEA\_ID\_4200 = 7376.368248 - 1590.825749*REALEXCH_IND + 0.2719111173*EEA\_ID\_44\_45$$

$$EEA\_ID\_44\_45 = 18357.63225 + 1.914498182*(@MOVAV(YPADJ\_ID,4)/@MOVAV(PCWC,4))$$

$$EEA\_ID\_48\_49\_22 = -6874.067373 - 4977.431004*(@MOVAV(PCWCNGAS,8)) + 23828.08189*ID0NPT$$

$$EEA\_ID\_5100 = -8609.369757 + 29.46473008*(@MOVAV(IPSN51112T9,6)) + 52.39417797*(@MOVAV(IPSG51111,4)) + 7005.186797*ID0NPT$$

$$EEA\_ID\_52\_53 = -14521.67372 - 6351.920526*DUM981ON + 2099.281215*(DUM9801004*@MOVAV(JSAP500NS/JSAP500NS(-2),2)) + 105.7459032*ID0KHU$$

$$EEA\_ID\_54\_55\_56 = -21711.57377 + 1.312329203*YPADJ\_ID + 180.7205421*(@MOVAV(RAD96C,8))$$

$$EEA\_ID\_61\_62 = -14186.21291 + 25381.29249*ID0NPT + 1.150801795*YPADJ\_ID$$

$$EEA\_ID\_71\_72 = -18799.86884 + 54784.57074*ID0NPT$$

EEA\_ID\_8100 = 668.8900441 + 0.5911901854\*(@MOVAV(YPADJ\_ID,2)/@MOVAV(PCWC,2)) +  
1262.304304\*DUM931964

EEA\_ID\_DMANU = EEA\_ID\_WOOD + EEA\_ID\_3320 + EEA\_ID\_3330 + EEA\_ID\_3340 + EEA\_ID\_MFDNEC

EEA\_ID\_GOODS = EEA\_ID\_MANU + EEA\_ID\_2300 + EEA\_ID\_2100

EEA\_ID\_GV = EEA\_ID\_GVSL + EEA\_ID\_GVF

EEA\_ID\_GVF = 623.2139938 + 1171243.031\*(EGF\*(ID0NPT/N)) - 5708.878415\*(EGF\*(GFO96C/GF96C)) +  
28.85276117\*(@TREND)

EEA\_ID\_GVSL = EEA\_ID\_GVSLAD + EEA\_ID\_GVSLED  
EEA\_ID\_GVSLAD = -1419.801028 + 107323.611\*(ID0NPT\*((N-N16A)/N)) +  
0.734809056\*(@MOVAV(ID0YPTXB(-4),4))

EEA\_ID\_GVSLED = 8491.226603 + 62332.36236\*(ID0NPT\*((N-N16A)/N)) +  
0.9255304579\*(@MOVAV(ID0YPTXB(-4),2))

EEA\_ID\_MANU = EEA\_ID\_DMANU + EEA\_ID\_NMANU

EEA\_ID\_MFDNEC = -4342.254359 + 120.7174277\*(@MOVAV(ID0IPMFDNEC,2))

EEA\_ID\_MFNNEC = 841.6467714 + 1.039995794\*(CNCS96C+CNOTH96C) +  
27.74961734\*(@MOVAV(IPSG322,2))

EEA\_ID\_NMANU = EEA\_ID\_3110 + EEA\_ID\_3230 + EEA\_ID\_3250 + EEA\_ID\_MFNNEC

EEA\_ID\_NONGOODS = EEA\_ID\_SV + EEA\_ID\_4200 + EEA\_ID\_44\_45 + EEA\_ID\_GV

EEA\_ID\_SV = EEA\_ID\_48\_49\_22 + EEA\_ID\_5100 + EEA\_ID\_52\_53 + EEA\_ID\_54\_55\_56 + EEA\_ID\_61\_62 +  
EEA\_ID\_71\_72 + EEA\_ID\_8100

EEA\_ID\_WOOD = 10648.08631 + 102.8881285\*(@MOVAV(IPSG321,2)) - 8746.459178\*(JRWSSNF/WPI08) -  
32.46989379\*(@TREND)

ID0AHEMF = 4.062984139 + 7.670259465\*(EEA\_ID\_DMANU(-1)/EEA\_ID\_MANU(-1)\*JRWSSNF) +  
7.055318279\*(EEA\_ID\_NMANU(-1)/EEA\_ID\_MANU(-1)\*JRWSSNF)

ID0CRCROP = -1228944.535 + 0.01122866597\*CRCROP + 1753507.779\*WPI01

ID0CRLVSTK = -796079.9183 + 0.03260376587\*CRCATCVS + 1088925.623\*WPI01

ID0EXFP = -75491.80919 + 1254823.168\*WPI01 + 18288.22571\*(@TREND)

$$ID0HSPR = ID0HSPRS1\_A + ID0HSPRS2A\_A$$

$$ID0HSPRS1\_A = -12.48333092 - 0.342588535*(RMMTGENS-@MOVAV(RMMTGENS(-1),4)) + 94.56019413*(@MOVAV(ID0NPT(-1),4)-@MOVAV(ID0NPT(-5),4)) + 0.04787534868*ID0KHU(-1)$$

$$ID0HSPRS2A\_A = 4.104497988 + 38.86252553*(@MOVAV(ID0NPT(-1),4)-@MOVAV(ID0NPT(-5),4)) - 0.2160851192*(@MOVAV(RMMTGENS,4)) - 0.01583573257*(@TREND)$$

$$ID0KHU = ID0KHU1 + ID0KHU2A$$

$$ID0KHU1 = ((0.997)^{0.25}) * ID0KHU1(-1) + ID0HSPRS1\_A / 4$$

$$ID0KHU2A = ((0.997)^{0.25}) * ID0KHU2A(-1) + ID0HSPRS2A\_A / 4$$

$$ID0NB = -7.621925707 + 35.70673196*ID0NPT - 0.150250367*(@TREND)$$

$$ID0ND = 1.010054004 + 5.642204837*ID0NPT + 0.009457219764*(@TREND)$$

$$ID0NMG = 4 * D(ID0NPT) - (ID0NB - ID0ND) / 1000$$

$$ID0NPT = 0.4326491533 + 0.006921573771*(@TREND)$$

$$ID0WBB\$ = ID0WBBMF\$ + ID0WBBOTH\$ + ID0WBBCC\$ + ID0WBBF\$ + ID0WBBMIL\$$$

$$ID0WBBCC\$ = (ID0WRWCC\$ * EEA\_ID\_2300) / 1000000$$

$$ID0WBBF\$ = -403.9289886 + 528.6892499*WPI02$$

$$ID0WBBMF\$ = (ID0WRWMF\$ * EEA\_ID\_MANU) / 1000000$$

$$ID0WBBMIL\$ = 8.332153635 + 287.7990938*((ID0NPT/N)*GFMLWSS\_FAC)$$

$$ID0WBBOTH\$ = ID0WRWOTH\$ * (EEA\_ID - EEA\_ID\_2300 - EEA\_ID\_MANU) / 1000000$$

$$ID0WRWCC\$ = 6510.609616 + 1706.353481*ID0AHEMF$$

$$ID0WRWMF\$ = -10587.12176 + 3710.54458*ID0AHEMF$$

$$ID0WRWOTH\$ = -1862.315653 + 1953.362836*ID0AHEMF$$

$$ID0YDIR\$ = 36.30379279 + 1.00319175*((YINTPER+DIV+YRENTADJ)*@MOVAV(ID0YP$(-1),4)/@MOVAV(YP(-1),4))$$

$$ID0YFC\$ = -56852.16248 + 0.9185828647*ID0YFC\$( -1) + 62914.16864*WPI01$$

$$ID0YINV\_R\$ = -66327.79681 + 0.815922556*ID0YINV\_R\$( -1) + 106746.0513*WPI01$$

$$ID0YP = ID0YP\$ / PCWC$$

$$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSIS\$$$

$$ID0YP\$PC = ID0YP\$ / ID0NPT$$

$$ID0YPNF = ID0YPNF\$ / PCWC$$

$$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$$

$$ID0YPNFPC = ID0YPNF\$ / PCWC / ID0NPT$$

$$ID0YPPC = ID0YP / ID0NPT$$

$$ID0YPRF\$ = -226.7992645 + 0.2751969415*((ID0CRCROP+ID0CRLVSTK+ID0YTRF\$+ID0YINV\_R\$-ID0YFC\$-ID0EXFP)/1000) + 2.460392663*(@TREND) + 347.5593847*WPI01$$

$$ID0YPRNF\$ = -28.73952419 + 4.696841437*YENTNFADJ$$

$$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV\_R\$ / 1000)) / PCWC$$

$$ID0YRA\$ = -83.45329304 + 0.02917291574*ID0WBB\$$$

$$ID0YSIS\$ = 16.94575683 + 1.02892213*(TWPER*ID0WBB\$/WSD)$$

$$ID0YSUP\$ = -71.06130795 + 1.071472007*(YOL*(ID0WBB\$/WSD))$$

$$ID0YTR\$ = 52.03397132 + 808.8526978*((VGF\_PER+VGSL\_PER)*(ID0NPT/N))$$

$$ID0YTRF\$ = 27627.24559 + 0.0109491272*TRF\$$$

$$IDWAGE = (ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$) / EEA\_ID * 1000000$$

$$YPADJ\_ID = ID0YPNF\$ + @MOVAV(ID0YPRF\$ , 4) + @MOVAV(ID0WBBF\$ , 4)$$

## ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in non-goods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
EEA_ID_WRT	Employment in trade
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons

ID0NPT	Resident population
ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_RS	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 1996 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 1996 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 1996 dollars
ID0YPPC	Real per capita personal income
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 1996 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
IDWAGE	Average annual wage
YPADJ_ID	Adjusted total personal income

## EXOGENOUS VARIABLES

CNCS96C	Personal consumption expenditures, clothing and shoes, 1996 dollars, chain weighted
CNOTH96C	Personal consumption expenditures, other nondurable goods, 1996 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
DIV	Dividends
DUM931964	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or non-economic event such as strikes, plant opening, or closures, unusual weather conditions, etc.
DUM951ON	
DUM98011004	
DUM981ON	
TREND	
EGF	Employment in federal government
EMI	Employment in mining
GFMLWSS_FAC	Federal government defense personnel outlays
GF96C	Federal government purchases, 1996 dollars, chain weighted
GFO96C	Federal government purchases, non-defense, 1996 dollars, chain weighted
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 1997=100.0
ID0IPMFDNEC	Industrial production index, other nondurable goods, 1997=100.0
IPSG21	Industrial production index, mining, 1997=100.0
IPSG311	Industrial production index, food, 1997=100.0
IPSG321	Industrial production index, wood products, 1997=100.0
IPSG322	Industrial production index, paper, 1997=100.0
IPSG323	Industrial production index, printing, 1997=100.0
IPSG3253	Industrial production index, agricultural chemicals, 1997=100.0
IPSG332	Industrial production index, fabricated metal products, 1997=100.0
IPSG333	Industrial production index, machinery, 1997=100.0
IPSG3341	Industrial production index, computer and peripheral equipment, 1997=100.0
IPSG51111	Industrial production index, newspaper publishing, 1997=100.0
IPSN51112T9	Industrial production index, other publishing, 1997=100.0
JRWSSNF	Index of compensation per hour, nonfarm business sector, 1992=1.0
JSAP500NS	Standard & Poor's 500 stock price index
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
PCWC	Implicit price deflator, personal consumption, 1996=1.0, chain weighted
PCWCNGAS	Implicit price deflator, personal consumption, gasoline and oil, 1996=1.0, chain weighted
RAD96C	Real research and development spending
REALEXCH_DEV	Real US trade-weighted exchange rate with developing countries
REALEXCH_IND	Real US trade-weighted exchange rate with industrial countries
RMMTGENS	Effective conventional mortgage rate, existing homes, combined lenders

TRF\$	Government payments to U.S. farms
TWPER	Personal contributions for social insurance, U.S.
VGf_PER	Federal transfer payments to persons, U.S.
VGSL_PER	State and local transfer payments to persons, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
WPI11	Producer price index, machinery and equipment, 1982=1.0
WSD	Wage and salary disbursements
YENTNFADJ	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YINTPER	Personal interest income
YOL	Other labor income, U.S.
YP	Personal income
YRENTADJ	Rental income of persons with capital consumption adjustment